

INDIA'S FOREIGN RELATIONS – 2006

DOCUMENTS

PART - I

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(This is a revised edition of the earlier two-volume publication covering the period 1947 – 1992)
6. India’s Foreign Relations – Documents – Annual volumes for 2003, 2004 and 2005. (*The volume for 2002 would appear shortly*)

INDIA'S FOREIGN RELATIONS - 2006
DOCUMENTS
PART - I

Edited by
AVTAR SINGH BHASIN

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To

Arjan

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Geetika

President of India
Dr. A. P. J. Abdul Kalam

Prime Minister
Dr. Manmohan Singh

MINISTRY OF EXTERNAL AFFAIRS

External Affairs Minister
Shri Pranab Mukherjee¹

Minister of State
Shri E. Ahamed

Minister of State
Shri Anand Sharma

Foreign Secretary
Secretary (East)
Secretary (West)

Shri Shivshankar Menon²
Shri N. Ravi³
Shri Nalin Surie⁴

Dean, Foreign Service Institute

Shri Surendra Kumar⁵

Additional Secretaries

Shri K. C. Singh
Shri Ajai Choudhary
Shri Sharat Sabharwal
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Shri Arif S. Khan
Shri Dinesh K. Jain
Shri R. B. Mardhekar
Shri B. A. Roy

Official Spokesperson
Joint Secretary (Public Diplomacy)

Shri Navtej Singh Sarna
Shri Amit Dasgupta⁶

-
1. He assumed charge of his office on October 25.
 2. He took charge on October 1 on retirement of Shri Shyam Saran.
 3. He succeeded Shri Rajiv Sikri.
 4. He succeeded Mrs. Shashi Tripathi.
 5. He took over from Shri Atish Sinha who retired on November 30.
 6. He took over from Shri Sunil Lal.

PREFACE

I

The series India's Foreign Relations was launched in March 2005 with the publication of the volume for the year 2004. In 2006 two volumes covering the period 2005 and 2003 appeared. The present volume is therefore fourth in the series. Substantial work on the volume for 2002 has been done. It should appear hopefully in the next few months.

2. The parameters of Indian foreign policy were spelt out by the External Affairs Minister Mr. Pranab Mukherjee in his year-end dinner speech on December 7 to the diplomatic community in New Delhi. He gave prime importance to the "economic success story" of India sustaining which "will obviously also have foreign policy dimensions" for the future, requiring "deeper engagement with the outside world by way of increased access to international markets, sources of energy, advanced technologies and foreign investment." In order to maintain leverages for an independent foreign policy, India's world-view has always been and continues to be a "multi-polar" one and today, as Mr. Mukherjee put it "the bandwidth of our political engagement and economic and technical cooperation with the rest of the world is wider than ever before." The across the board strategic partnerships that New Delhi successfully forged with many countries in various parts of the world stands testimony to this. This was supplemented by expanding and deepening engagement with various economic groupings like SAARC, ASEAN, BIMSTEC, IBSA, G-8, G-15, Indian Ocean-RIM and East Asian Community to name just a few.
3. Another dimension of the foreign policy was elucidated by Prime Minister Dr. Manmohan Singh on November 1 in his speech to the Kerala Pradesh Congress Committee in Thriuvanthapuram. He said the nation could not be tied down to the past. It needed flexibility of tactics depending on the changes the world over by "widening our horizon".
4. The challenge before policy makers in New Delhi today is to create necessary space to exercise freedom to make policy choices in an increasingly interdependent world. This necessarily means evolving

responses to the ever-changing realities in a world full of uncertainties. In this scenario our responses in terms of instruments of policy, tactics and strategy could not be the same in all the circumstances. What is important is that the basic tenets of foreign policy must remain embedded in values, which are universal and true all the time. The debate on the civil nuclear energy testifies to this. New Delhi drew the *Laxman Rekha* India would not cross to end the nuclear apartheid it suffered for over three decades. To clinch the deal New Delhi did make a paradigm shift, but refused to accept any constriction of its independence of action.

II

5. "Preventing the proliferation of nuclear weapons, other weapons of mass destruction, the means to produce them, and means to deliver them are critical objectives for the United States foreign policy," declared the preamble to the Henry J. Hyde the United States - India Peaceful Atomic Energy Cooperation Act of 2006 (H.R. 5682) assented to by the US President George W. Bush on December 18. The preamble represented the distance both the US and India (a non-signatory to the Non Proliferation Treaty) had to walk to accommodate each other. One has to remember that an agreement between two sovereign powers is essentially a compromise of their sovereignties. It represents their synergy of interests with different objectives. Hence the necessity for both to walk some distance to meet at a common point. Given their longstanding position, the Indo – U. S civil nuclear energy deal could not have been any different. The distance that the two needed to tread and the point of agreement where the two needed to meet were laid down in the July 18, 2005 Joint Statement between Prime Minister Dr. Manmohan Singh and President George W. Bush.
6. It may be recalled that India had been barred from accessing the nuclear high technology since the 1974 Pokhran nuclear test for double whammy of not only not signing the NPT but also conducting the nuclear test. However in 1974 having conducted the test India did not declare itself a Nuclear Weapon State. Feeling uneasy under the discriminatory regime of the NPT, India in 1998 made no bones about its intentions. India now demanded to be recognized a member of the exclusive nuclear club. In the eyes of non-proliferation lobbyists it committed the "double sin" of conducting

the nuclear tests once again and also declaring itself a nuclear-weapon-state with a nuclear doctrine of its own.

7. While India succeeded in weathering the economic, financial, defence and other sanctions placed on it for this 'sin', the civil nuclear programme did feel the pinch of technology-denial-regime. Under the US lead other countries too denied cooperation in this vital area. No country was willing to resume nuclear cooperation unless the US gave the green signal. Washington too was bound by its national laws to bar this technology to any country that did not sign the NPT. Despite this India refused to buckle under the pressure and sign the NPT. The breakthrough that came New Delhi's way in July 2005 was a breath of fresh air and worth its while if it could end the discriminatory regime. There were hurdles to be crossed. The United States needed to amend its national laws to extend any cooperation in this sensitive field to a non-signatory.
8. India too needed to be a little flexible. In doing so, as pointed out above, India set its *Laxman Rekha*. This was amplified several times by the Prime Minister both in and outside the Parliament. On August 18, 2006 speaking in Parliament Dr. Manmohan Singh assured the country that there was no question of compromising with the national interest. He said "the central imperative in our discussions with the United States on Civil Nuclear Energy Cooperation is to ensure the complete and irreversible removal of existing restrictions imposed on India through iniquitous restrictive trading regimes over the years." To that end, the Prime Minister declared: "We seek the removal of restrictions on all aspects of cooperation and technology transfers pertaining to civil nuclear energy – ranging from nuclear fuel, nuclear reactors, to re-processing spent fuel, i.e. all aspects of a complete nuclear fuel cycle."

III

9. The passage of the Henry J. Hyde Bill and its assent by President Bush marked an important phase not only in the nuclear energy field but also in the relationship between the two countries. In his signing speech President Bush paid a great tribute to India. He described India as a "friend" which had been conducting its civil

nuclear programme in a “safe and responsible” manner for decades. Most critics of the deal lost sight of the fact that to accommodate India, which for decades was accused of violating the NPT, and an outcaste in the nuclear world, it was the USA, which amended its national laws while New Delhi set preconditions that must be met for India to accept the American cooperation and access technology which it needed but was denied all these years. On its part India in a show of accommodation too went some distance to separate its military and civilian nuclear programmes.

10. However, New Delhi still had some concerns needing to be addressed. Dr. Manmohan Singh told President Bush in so many words when the latter telephoned him on December 21. The press release issued by the Prime Minister’s office on the talks between the two leaders made an important statement the significance of which cannot be underestimated. Firstly it spoke of “*President Bush’s initiative to amend the US laws to enable bilateral civil nuclear cooperation*” and secondly the hope of the two leaders that “*remaining concerns will be addressed in the next stage of negotiations.*” (Emphasis added) The Congress having finished its task, it was now for President Bush to allay Indian concerns. Keen as he was to clinch the deal, he described some of the “preconditions” set by the Congress for cooperation as only “advisory” and hence not binding on the executive.

IV

11. At home, there were indeed dissenting voices both from the political class and the scientific community. The left parties supporting the government and the main opposition party, the Bharatiya Janata Party (BJP) for their own reasons found themselves on the same side of the spectrum. The Communist Party of India (Marxist) in a statement issued on December 11 said: “The final Act of the U. S. legislation runs contrary to most of the assurances given by the Prime Minister (in parliament). Once again the goalposts have been shifted...under these circumstances, the argument that the country should wait for the bilateral agreement is spacious. Obviously, the U. S. Administration is bound by the provisions of its Act while negotiating this agreement.” The Party therefore suggested to the government not to proceed further with the negotiations. A day earlier the BJP had asked the government to reject the legislation

instead of “accepting the humiliating conditionalities contained in it.” The Party feared that the new Act would cap India’s nuclear-weapon programme. It said that the legislation would prevent India from nuclear testing even of the kind permitted by the Comprehensive Tests Ban Treaty (CTBT) and India’s weapons programme would be subjected to “intrusive” U. S. scrutiny.

12. Leading nuclear scientist who in the past either had presided over the country’s nuclear establishment, or were associated with its development, pleaded that India must not directly or indirectly concede its right to conduct nuclear weapon tests “if found necessary to strengthen our minimum deterrence”. The Scientists felt that new Act went “much beyond the norms of the IAEA and (these) have been unilaterally introduced without the knowledge of the Indian government”. They insisted that some of the provisions of the 2006 Act constituted an intrusion into India’s independent decision making and policy matters and though the Act was about civilian nuclear cooperation it denied India full cooperation in civilian nuclear energy.
13. New Delhi did take note of the divergent views, but remained confident that despite “extraneous and prescriptive provisions” in the Act, its strategic programme would remain outside the purview of the 123 Agreement that India would need to sign with the USA. “We will not allow external scrutiny of or interference with the strategic programme,” declared External Affairs Minister Pranab Mukherjee in Parliament on December 12. Prime Minister Dr. Manmohan Singh in assuring the scientist held the view that the proof of the pudding was in the eating - in the bilateral agreement to be hammered out between New Delhi and Washington, irrespective of the exertions of the US Congress.
14. The Prime Minister had yet another opportunity to defend the government’s position on the new Act when it was debated in the Lok Sabha on December 18. Intervening in the debate he described the Act “an important step leading to the lifting of international restrictions currently applicable to India.” Next day the December 19 it was External Affairs Minister who assured the nation that while sticking to the stand of voluntary moratorium on nuclear testing, India would keep its options open on conducting nuclear tests if the national interests and priority so required. Similarly he said the US legislation could not put a bar on production of fissile material

by India. "In full civil nuclear cooperation there is nothing that bars India from reprocessing the spent fuel. It is going to be a key element in the 123 agreement that will be negotiated with the U. S., and the US Administration has categorically stated that it stands by the July 18, 2005 Joint Statement," said the External Affairs Minister.

15. President Bush, on the other hand, set the record straight by declaring that much of the restrictive clauses in the Act were either advisory or he intended to treat them as advisory "given the Constitution's commitment to the Presidency of the authority to conduct the Nation's foreign affairs...the executive branch shall construe such policy statements as advisory."
16. The stage is now set for negotiations for the 123 Agreement and as the Prime Minister said the proof of the pudding was in eating, we have now to wait and watch for the pudding to be served!
17. What is the impact of the US legislation? It has been graphically stated by the Prime Minister in the Lok Sabha on December 18:

"...despite the fact that we have a nuclear weapons programme, the US will be willing to cooperate with us in the development of civilian nuclear capacities. That, I think itself is a great advantage. We will not be considered a nuclear weapon State in the sense of the term in which the term is defined in the NPT. Therefore, for all practical purposes we are here and this is a recognition, which comes today totally from the US. It is Russia, France, United Kingdom and many other countries are willing to recognize the reality that India is a nuclear weapon State."

V

18. France, itself drawing 75 percent of its energy from the nuclear source, was appreciative of India's quest for the same for its economic development. It too was attracted by the lucrative Indian market for nuclear power. Once the United States had shown its willingness to accommodate India, France too did not have much difficulty in extending their cooperation. Therefore when President Chirac came calling in February, New Delhi happily found Paris in a receptive mood. The signing of the Memorandum of Understanding for providing "a safe, environmental friendly and

sustainable source of energy” as an engine for growth was a natural corollary. Despite the MOU, France had made it clear to New Delhi, that its cooperation was contingent on final signal from Washington. Therein lies the importance of the U.S. deal. President Chirac’s visit was important in that the two countries agreed to expand their area of cooperation in other fields too like, economic, scientific, technological, space, cultural and political.

19. Germany is another country in Europe that New Delhi is keen to deepen its already strengthened ties with. The Prime Minister visited Germany in April to coincide with the opening of Hannover Trade Fair, with India as a partner country. Both Prime Minister Dr. Manmohan Singh and German Chancellor Mrs. Angela Merkel pledged that “building upon the ‘Agenda for Indo – German Partnership in the 21st Century, which both the countries adopted in the year 2000, Germany and India will deepen their strategic partnership based on shared values and basic common interests.”
20. With Russia India has particularly a buoyant relationship. Both the Russian Prime Minister and Foreign Minister visited New Delhi in March and November respectively. Dr. Manmohan Singh was in Russia in July for the G-8 Conference. It was a good opportunity for the two leaders to renew their personal contacts. Earlier in March President Putin and Dr. Manmohan Singh talked on the telephone for almost twenty minutes and reviewed their multi-faceted cooperation since their last meeting in December 2005. Moscow showed its solidarity with New Delhi coming to its rescue, as the supplies of nuclear fuel for Tarapur Atomic Power Plant seemed running out in March. The remarks of External Affairs Minister soon after assuming charge of the Ministry of External Affairs and while greeting the Russian Foreign Minister in New Delhi on November 16 are significant:

“The strategic partnership between India and Russia is based on trust, confidence and the abiding convergence of our national interests....The Government of India is committed to further strengthening the strategic and time-tested partnership with the Russian Federation. We believe that strong relations between India and Russia have been a factor in promoting peace, security and stability, and global efforts against terrorism and narco-trafficking.”

VI

21. East Asia constitutes an important element in the 'Look-East' policy of New Delhi. A vibrant relationship is emerging with the countries in the region particularly Japan and China. Strategic partnership at the highest level with both the countries has been the hallmark of this relationship. After the successful visit of Chinese Premier Wen Jiabao to India in 2005, the visit by the Chinese President Hu Jintao in November 2006 provided another "opportunity to add greater content and meaning to the partnership." This was reflected in the "ten-pronged strategy" embedded in the Joint Declaration issued during the visit of Hu Jintao. The Declaration rejected the idea that India and China were rivals or competitors. On the contrary the Declaration agreed:

"Both countries are seeking to avail themselves of historic opportunities for development. Each side welcomes and takes a positive view of the development of the other, and considers the development of either side as a positive contribution to peace, stability and prosperity of Asia and the world. Both sides hold the view that there exist bright prospects for their common development, that they are not rivals or competitors but are partners for mutual benefit. They agree that there is enough space for them to grow together, achieve a higher scale of development, and play their respective roles in the region and beyond, while remaining sensitive to each other's concerns and aspirations. Strategic partnership between the two countries with a similar worldview is consistent with their roles as two major developing countries. With the growing participation and role of the two countries in all key issues in today's globalising world, their partnership is vital for international efforts to deal with global challenges and threats. As two major countries in the emerging multi-polar global order, the simultaneous development of India and China will have a positive influence on the future international system."

22. The groundwork for the visit had been prepared much in advance by the visit to Beijing of the Defence Minister Pranab Mukherjee in June. Significantly on return from Beijing the Defence Minister told a press conference in New Delhi on June 13 that "the possibility of an armed conflict with China had receded thanks to several Confidence Building Measures (CBMs) being implemented by both

the countries to improve defence relations and eliminate tension on the border". He described the defence cooperation agreement with Beijing, which he signed during his visit, as another CBM that would add to the sense of security of the two countries. This enabled him to declare: "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." Asked if India and China could jostle for supremacy in future, Mr. Mukherjee said the strategic space was not limited. "It is also not correct to say that the entire space is occupied by China."

23. There was a change of guard in Tokyo. Mr. Shinzo Abe had taken over as the new Prime Minister replacing Junichiro Koizumi. The latter had visited New Delhi in 2005 when it was decided "to reinforce the strategic focus of the Global Partnership between India and Japan and launch an Eight-fold Initiative in order to realize its full potential." In the current year too there were regular contacts between the two countries. In January the Japanese Foreign Minister visited New Delhi and in May the Defence Minister Pranab Mukherjee went to Tokyo. The two countries recognized that the two were "partners in peace, with a deep interest in promoting the security, stability and prosperity in Asia and in the world at large as well as in tackling regional and global security challenges." After the Defence Minister's discussions with his counterpart the two Defence Ministers "reaffirmed their commitment to implement fully the decisions taken by the Prime Ministers to further develop the dialogue and exchanges between the two countries in the security and defence fields, proceeding from the broader perspective of the Global Partnership and building on strategic convergences." In November there were consultations between the Foreign Offices of India and Japan. The high point of all these contacts was the visit by Prime Minister Dr. Manmohan Singh to Tokyo in December. In the Joint Statement issued during the visit the two Prime Ministers declared:

"Given their shared determination to raise bilateral relations to a higher level, the two leaders decide to establish a Strategic and Global Partnership between India and Japan. This will impart stronger political, economic and strategic dimensions to bilateral relations, serve long-term interests of both countries, enhance all-round cooperation and contribute to

greater regional peace and stability. The Strategic and Global Partnership will involve closer political and diplomatic coordination on bilateral, regional, multilateral and global issues, comprehensive economic engagement, stronger defence relations, greater technological cooperation as well as working towards a quantum increase in cultural ties, educational linkages and people-to-people contacts. This partnership will enable both countries to harness the vast potential of bilateral relations, drawing upon complementarities and each other's intrinsic strengths, and also work together to address regional and global challenges."

VII

24. The composite dialogue with Pakistan to resolve outstanding issues between the two countries started in 2004 was unfortunately disrupted in July, mercifully temporarily. The investigations in the bomb blasts on the Mumbai trains pointed the needle of suspicion towards Pakistan. New Delhi found it abhorring that while talking peace the Pakistani state agencies or elements supported by them should be perpetrating violence on innocent citizens of India! The meeting between Prime Minister Dr. Manmohan Singh and President Musharraf in Havana on the sidelines of the NAM Summit helped to rescue the peace process. The two leaders expressed their desire "of carrying forward the dialogue process" as also their determination to implement the various joint statements on the need to prevent terrorism. Strongly condemning all acts of terrorism they agreed, "that terrorism is a scourge that needs to be effectively dealt with." They decided, "to put in place an India-Pakistan anti-terrorism institutional mechanism to identify and implement counter-terrorism initiatives and investigations." The Foreign Secretary-level talks that followed in November gave concrete shape to this mechanism. One only hopes that it will bear fruitful results and the innocent people would no longer be made victims of senseless acts of terrorism.
25. Earlier in the year on March 24, inaugurating the historic Amritsar – Nankana Sahib bus service Prime Minister in a major initiative proposed to Pakistan:

"instead of looking at each other as adversaries, we must have

the courage to see each other as supporting the other for the realization of a better tomorrow for all the people of India and Pakistan. I have a vision that the peace making process must ultimately culminate in our two countries entering into a Treaty of Peace, Security and Friendship to give meaning and substance to our quest for shared goals. I make this offer to the people of Pakistan on this historic occasion. I am sure the leadership of Pakistan will reciprocate.”

26. Though Pakistan did not formally pick up the offer, Pakistani Foreign Minister Kasuri on 25 March welcomed its positive tone. But as is Pakistan’s wont, linked the offer with the Kashmir issue. Lack of response from Pakistan did not discourage the Prime Minister. He repeated the offer once again at Amritsar on December 20. He reminded Pakistan that if the two countries made an approach with “an open and friendly mind” then “all pending issues” could be resolved through dialogue. Suggesting that the two countries needed to put the past behind them, and think about their “collective destiny” it would lead to a better future for their peoples. Repeating his offer made earlier in that city itself, he said:

“I too have a vision regarding India and Pakistan. I earnestly hope that the relations between the two countries become so friendly and we generate such an atmosphere of trust between each other that the two nations would be able to agree on a Treaty of Peace, Security and Friendship...I am sure we can overcome all hurdles on our path and realize such a treaty. This will become the instrument for releasing our collective destiny and the basis for enduring peace and prosperity in the region.”

27. In April 2007 India is hosting the SAARC Summit and as the host country it is the privilege of its External Affairs Minister to visit the capitals of the member countries and personally extend invitations. This gave the External Affairs Minister an opportunity to visit Islamabad. While extending the invitation for the SAARC Summit, he too conducted substantive bilateral discussions with the Pakistani leaders. The year 2007 started for the India – Pakistan relations on a positive note.
28. In Nepal, the King who had tied himself in knots the previous year

came to grief for his failure to respond to the wishes of his people. India's reasoning with him to listen to the voice of his people and respond to it had little impact on him. Finally the deafening shrill turned into a major tide that practically swept him away. The Maoists who had spearheaded the violent movement against the monarchy for many years now made a common cause with the other political forces in the country, pledged to end the violence, successfully worked out a *modus vivendi* to reestablish a people's government fully representative and sovereign. The dream of the Nepalese since the fifties for an elected Constituent Assembly to frame a Constitution is realized. In the not too distant a future the elections for such an Assembly will take place. In the process the people of Nepal gave ample proof of their maturity to decide their destiny themselves. New Delhi welcomed the flowering of democracy in its neighbourhood and saluted the people of Nepal for their sagacity and wisdom.

29. The events in Sri Lanka caused a lot of concern in New Delhi. India as in the past remained committed to the territorial integrity and sovereignty of Sri Lanka. It however earnestly hoped and encouraged a negotiated political settlement that would take into account the aspirations of its Tamil minority. India too expressed to the Sri Lankan leadership its deep concern on the renewed violence that had disrupted the peaceful tenor of life and brought endless misery to the civilian population particularly in the Eastern Province.

VIII

30. Reform of the United Nations remained high on the Indian agenda as also securing a seat on the horse-shoe table. The re-tabling of G-4 draft resolution at the beginning of the year itself (January 5) was intended to "instill positive dynamics into the process of Security Council reforms which had been emphasized in the Outcome Document of the World Summit held in September 2005." The candidature of Shashi Tharoor for the post of the UN Secretary General, even if unsuccessful, was a notice to the world that New Delhi intended to play a wider role at this forum.
31. To add buoyancy to its economic relations, India remained committed to multilateral and regional economic groupings. Heavy domestic schedule did not prevent the Prime Minister to personally

participate in many of such gatherings. The G-8 at St. Petersburg in July was an opportunity to interact with the world leaders on economic and other issues. Not long thereafter in September the Prime Minister traveled to Havana for the NAM Summit. Before Havana, Brazil hosted him and the South African President for the first ever Summit of the three countries from three continents, which emerged as the IBSA Forum for South-South cooperation. Thereafter, the Prime Minister journeyed to Helsinki for the India – European Union Summit. Before the close of the year 2006 the Prime Minister was almost ready to leave for the Philippines for India – ASEAN and India – East Asia Summits, when the same were postponed for unforeseen weather conditions in that country.

IX

32. India had the honour to host the King of Saudi Arabia both for bilateral visit and also as the Chief Guest at the celebrations of its National Day on January 26. The importance of Saudi Arabia to India and the world was underlined by the Prime Minister in his banquet speech when he described the Kingdom as “constituting an integral part of India’s extended neighbourhood, a region of critical importance to the entire world in political, strategic and economic terms.” The King did India and the Prime Minister a singular honour by personally signing with him the Joint Declaration, something he did not do ever before.
33. Another important visitor from West Asia was the Amir of the State of Kuwait. His visit stressed the synergy of interest between the two countries as producer and consumer of oil. The Joint Statement issued on the occasion stressing the “complementarity of interests between the two countries said: “They (the two countries) intended to develop and expand cooperation between their respective oil companies for encouraging, promoting and establishing a long-term relationship in the supply of crude oil and petroleum products, upstream and downstream joint ventures, refineries, petrochemical industries and marketing both in Kuwait and India and internationally...”
34. The Israeli attack on Lebanon in “its extended neighbourhood” in retaliation for the abduction of two Israeli soldiers by Hezbollah

caused India deep concern. India did not condone the abduction of the Israeli soldiers but felt the Israeli retaliation was excessive and disproportionate that had caused havoc to the civilians' lives and properties. To mitigate the suffering of the people and in a show of solidarity with them, New Delhi decided to contribute Rs.1000 million for humanitarian and relief efforts. The Indian Parliament unanimously adopted a Resolution calling upon an immediate and unconditional ceasefire. India too organized the evacuation of its entrapped citizens living in that country.

35. India demonstrated its long term commitment to the rebuilding of Afghanistan by extending assistance of another US \$ 50 million in addition to US \$ 600 million already provided for projects in all parts of Afghanistan. In November India hosted a Regional Economic Cooperation Conference on Afghanistan in New Delhi. It brought together all the important players in the post-war reconstruction of Afghanistan on a single platform. The major players were G-8 countries, neighbouring countries, and the other important donors to Afghanistan Reconstruction Programme, as well as major international organizations. The first such conference was held in Kabul in December last year. It may be recalled that last year India had successfully supported Afghanistan's bid to join the SAARC and India would welcome its participation for the first time when the SAARC Summit is held in New Delhi in April 2007.
36. India and Iran have enjoyed civilizational relations for centuries. However, India had to cast a vote against Iran at the IAEA in view of Iran's insistence on reprocessing and enrichment of uranium against its commitment assumed under the NPT. The Indian policy towards Iran in this regard was amplified on February 17 by Prime Minister in Parliament. India while upholding Iran's sovereign right to develop nuclear energy for peaceful uses, called upon Iran to cooperate with the IAEA in honouring safeguards which it had undertaken as a signatory to the NPT and stop reprocessing and enrichment of uranium, which Iran insisted it would not give up. Similarly in December when the UNSC unanimously imposed sanctions on Iran, India while saying that it was studying the implications of the resolution, had its reservation and insisted "all possible efforts should be made to address the Iranian nuclear issue by peaceful means through dialogue and negotiations and that the IAEA should play a central role in resolving the outstanding

issues.”

37. Central Asia too remained under Indian radar. In April the Prime Minister Dr. Manmohan Singh paid a visit to Uzbekistan and in August the President of Tajikistan visited India. The first meeting of the Turkmenistan – India Inter-Governmental Commission on Trade, Economic, Scientific and Technological Cooperation was held in Ashgabat in October. These contacts enabled India to strengthen its ties with the Central Asian region.

X

38. In the vast network of international relations, Africa formed an important link. When the Heads of African Government met in the AU Summit in Banjul, India sent an official delegation led by Mrs. Shashi Tripathi, Secretary (West) in the Ministry to liaise with the African leaders and also to present the candidature of Shashri Tharoor for the post of UN Secretary General. In October at the invitation of the Government of India a 12-member high-level delegation from Common Market for Eastern and Southern Africa (COMESA) visited India. Significantly COMESA, which in the past had linkages with the developed countries to help it achieve its goals of development through economic cooperation, had shown some dissatisfaction at the conditionalities imposed on it and now identified India as its largest partner. COMESA with 405 million people, encompassing 20 countries stretching from Egypt and Libya to Zambia, to Mauritius and Seychelles is the single largest economic grouping in Africa. India hopes that the new initiative would help in forging stronger economic links with an important region of Africa.
39. Another grouping of African countries with which India has developed an equally closer cooperation is South Africa Development Community (SADC). India – SADC Forum was launched in Namibia in April and is a framework for promoting technical cooperation in all fields of economic activity. The Forum meeting in April identified priority areas of cooperation like agriculture, small and medium industries, entrepreneurial development, health, human resource development, water resources, and information technology.
40. A Techno-Economic Approach for Africa – India Movement, TEAM

–9 was set up between India and eight West African countries in March 2004 to accelerate economic, social and cultural development of the member countries through transfer of technology, know-how and knowledge management involving governments, experts and entrepreneurs. Minister of State Anand Sharma met the Team – 9 member countries at Accra in May to take stock of the various projects that were under execution under the credit provided by India.

41. The first ever high-level delegation from ECOWAS, which included four ministers and Executive Secretary of ECOWAS visited New Delhi in April. India has the largest line of credits with ECOWAS countries amounting to 500 million US dollars and during the visit of this delegation; India committed another 250 million US dollars line of credit for the ECOWAS Investment Bank.
42. In the course of 2006 there were several other ministerial visits to and from Africa. To cap it all, there was a visit by Prime Minister to South Africa in October, which also coincided with the 137th birthday of Mahatma Gandhi. In the Tshwane declaration issued on October 2, President Mbeki and Prime Minister Manmohan Singh noted “the strategic partnership between South Africa and India was guided by the common vision of global order marked by peace, security and equity. To tackle these multiple challenges, they reaffirmed their commitment to enhance their cooperation bilaterally as well as multilaterally, to build a better, safer and more prosperous world for present and succeeding generations.”
43. At the G-8 Summit India presented a Non-paper underlining its close relations with Africa. India described its relationship with Africa as not one of donor-recipient but of partnership for mutual development. Its Technical Cooperation programme with Africa is almost four decades old and provides a wide range of training facilities and project expertise to African countries. The Indian approach focused on strengthening ‘South-South’ linkages and promoting self-reliance through transfer of technologies appropriate to the needs of our African partners. In monetary terms India has spent over a billion dollars on its cooperation programmes with Africa and continues to provide training annually to almost 1000 officials in various-capacity building programmes. This is apart from the over 15, 000 African students who joint Indian universities and colleges every year.

44. It may be recalled that in September 2004 during the visit of President Dr. A. P. J. Abdul Kalam to Africa, India had announced its willingness to share the benefits of satellite-based technologies with the counties of Africa. Since then the Indian Space Research Organization has developed an ambitious plan to connect the 53 countries of Africa through a network that uses satellite, fiber optic and wireless links. India in partnership with African Union and individual countries of Africa would be establishing a network that links learning centers, universities, and hospitals in every African country with counterpart institutions in India that have a proven expertise in these fields. Already in October 2005 African Union and India have signed the Memorandum of Understanding for the project. The project execution is presently underway.

XI

45. Foreign relation today is a complex subject of study unlike in the past when the diplomats interacted on predictable lines in a rather limited sphere of political relations. Protocol dominated the proceedings. Today an extra dose of alcohol may have got mixed up with protocol; but technology has bridged the gap of time and distance. It has brought the nations closer to each other as never before. Media has facilitated diplomatic exchanges. Newspapers are the sounding boards making formal exchange of communications redundant. Trade barriers are vanishing. Competition is the *mantra*, free trade the *dharma* and multilateralism the altar of the globalised world. Investments and modern technology are the catalysts for change and the world is indeed changing faster than most of us can keep pace with. The foreign relations have become energy driven since economic development cannot take place without it. Energy, whether thermal, gas, hydrocarbon or nuclear, today dominates the foreign policy discourse.
46. Since the dawn of the 21st century new and diverse challenges face humanity. We find ourselves at the threshold of new opportunities. Political, economic, environmental and demographic challenges impinge on intra-state affairs. As the complexity and intensity of these issues dawn on us, the realization for greater interdependence of peoples and nations requiring collective action

becomes indeed urgent. This has made multilateral approach to problems critical. This has been particularly so in the case of terrorism, which refuses to recognize any national or geographical boundaries and is a real threat to humanity and civilized societies all over the world. The need for every nation, big and small, to join in this war has never been more urgent than today.

47. Other issues of concern to the developing countries such as financial flows, multilateral trading system, external indebtedness etc., are no longer mere debating issues, but the ones which need to be faced squarely by all the countries individually and collectively. Since the development and democracy are mutually reinforcing, the rule of law is relevant for ensuring economic progress and human development, which in turn contributes to the consolidation of peace. Speaking to the National Defence College on November 15 the External Affairs Minister Pranab Mukherjee underlined the various options available in the pursuit of those interests. He said:

“There is a range of foreign policy instruments available today to advance our economic interests – traditional commercial work, negotiation of preferential or free trading areas, active participation in multilateral forums etc. We need to creatively add to this tool-box and in fact retune mindsets so that our entire approach to a bilateral relationship is premised primarily on that relationship’s contribution to our economic well-being.”

48. In this context Mr. Mukherjee clearly focusing on the objectives of India’s foreign policy in perspective for the next decade declared:

“ The primary task of Indian foreign policy has to remain the facilitation of India’s development process, leveraging our international partnership to the best possible effect. Our focus in the coming decade should be on promoting trade and investments flows. In assisting the modernization of the infrastructure, in assuring predictable and affordable energy supplies and in securing the widest possible access to technologies.”

XII

49. Six hundred and eight documents in this volume are a testimony to the grueling schedule that the Ministry went through during the year. These have been regionally and chronologically put together

so that a pattern of relationship is discernable. The main documents on civil nuclear energy have been placed under a separate category but the interaction with America comes under the Section Americas: Sub-section - United States of America. The documents of a general nature or those, which cut across many themes, have been placed under this category. In characterizing a document, its dominant undertone has been the primary consideration. It is quite possible that users may find some duplication or they may find a document at a place different from the one they expected it to be. I am sure they would understand such anomalies. Extensive footnotes have been added wherever appropriate either to amplify the context or to supplement the information contained in the document itself. It is my hope this value-addition would be found useful. In reproducing the documents every effort has been made to adhere to the original text in terms of the spellings of proper nouns, and punctuation. For facility of handling, the compendium has been split into two parts, otherwise it is one integrated study.

50. Given the all-embracing nature of external relations compartmentalization is passé. A large number of agreements and other documents on diverse fields/subjects, like health and environment, culture and agriculture, science and technology, trade and finance are entered into, in pursuit of sharing of knowledge and experience among nations. This naturally has added to the volume of documents that are generated. In order to keep the compendium within reasonable limits only foreign policy-related documents have been included here. Since energy and nuclear issues have become major subjects of foreign policy discourse, documents related to them though handled by other Ministries/ Departments of the Government of India, have been included here. In the case of neighbouring countries my effort has been to be as comprehensive as possible notwithstanding the nature of the document.
51. Towards the end of the year there was a change of guard at the Ministry of External Affairs. Shri Pranab Mukherjee returned to it after a gap of almost a decade. At the beginning of the year Shri Anand Sharma joined the Ministry as Minister of State replacing Rao Inderjit Singh. Retirement of Foreign Secretary Shyam Saran led to a change at the Secretaries' level. Shri Shivshankar Menon took over as Foreign Secretary, Shri N. Ravi as Secretary (East) and Shri Nalin Surie as Secretary (West).
52. For many years I have been making extensive use of the facilities

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INDIA'S FOREIGN RELATIONS - 2006
SECTION - I
GENERAL

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001. Address by Foreign Secretary Shyam Saran at the Shanghai Institute of International Studies: ‘Present Dimensions of the Indian Foreign Policy’ .

Shanghai, January 11, 2006.

President of the Shanghai Institute of International Studies, Prof. Yu Xintian, distinguished scholars, ladies and gentlemen,

I am thankful to Prof. Yu and the Institute for this opportunity to share some thoughts with you on the subject of India’s Foreign Policy. The SIIS is one of the leading think tanks in China. It commands respect among China’s leadership. It has won recognition among scholars of international relations. In India, we value the growing exchanges with you.

As I speak to you, I must also congratulate you as residents of this remarkable city. I am not new to China and feel fortunate to have had the opportunity to see many parts of this great country. Shanghai’s energy to excel and determination to rejuvenate itself throughout history has always been impressive. Its extraordinary transformation into a world-class metropolis is a reflection of its pioneering role in China’s global integration. In many ways, it manifests China’s own amazing accomplishments in achieving economic development and her emergence as a global political and economic power.

The end of the Cold War, the accelerating process of globalization and the emergence of transnational challenges have become the defining features of contemporary international relations. India’s foreign policy has had to adapt to this rapidly changing international environment.

Our foreign policy has also had to contend with remarkable changes within India itself. For more than a decade and a half, India has been engaged in a thoroughgoing reform and liberalization of its economy. Its engagement with the rest of the world has increased dramatically. It has become more than ever important to ensure for India a peaceful and supportive international environment, an environment which contributes to our developmental goals.

While meeting these challenges, India has maintained a remarkable continuity in the fundamental tenets of its policy. The core of this continuity is to ensure autonomy in our decision making. It is to ensure independence of thought and action. This was and remains the essence of our adherence

to the principle of Non-Alignment. It is also the basis of our commitment to the Panchsheel, or the Five Principles of Peaceful Co-existence, which India and China jointly advocated in the early 1950s, and still believe to be relevant in contemporary international relations. There are other key elements of continuity as well. These include maintenance of friendly relations with all countries, resolution of conflicts through peaceful means and equity in the conduct of international relations.

These basic principles are reflected in the Common Minimum Programme of the ruling UPA Government. There is a solemn commitment to pursue an independent foreign policy, promote multi-polarity in world relations and oppose unilateralism.

Ladies and gentlemen, in pursuing her national interests and in seeking an appropriate role in the global political and economic order, India has consciously promoted multipolarity in international relations. The corollary to this approach is to strengthen multilateral institutions and mechanisms. We believe that such an approach is indispensable in addressing global challenges, such as terrorism, proliferation of weapons of mass destruction, pandemics like HIV/AIDS or avian flu, and drug-trafficking. Such an approach is also helpful in pooling together the scientific and technical achievements and collective wisdom of peoples around the world in overcoming the scourge of poverty, disease and the environmental degradation of our planet. No one country or even a group of countries, however rich and powerful, can hope to tackle these challenges on their own.

This brings me to the need to evolve a new paradigm of cooperation relevant to the emerging multi-polar world in which global threats demand global responses. India has actively pursued the strengthening of multilateral institutions, in particular the United Nations. We are committed to the comprehensive reform of the United Nations, including its Security Council, so that the concerns and aspirations of the majority of the UN membership are adequately reflected and multilateralism becomes an effective tool for addressing global challenges.

It is obvious that in any reform of the United Nations, the restructuring of its Security Council must be a priority. India believes that the Security Council must, in its composition, reflect the contemporary geo-political realities and not those of 1945. Its actions must be representative, legitimate and effective and its methods of work and decision-making processes more democratic, transparent and responsive. We believe that India, with its

large population, dynamic economy, long history of contribution to international peacekeeping and other regional and international causes, deserves to be a permanent member of the UN Security Council. At the same time, we also realize that there is resistance to change among several powerful countries. However, this is the first time in many years that a certain momentum has been built up for a comprehensive reform of the UN, which should not be allowed to wither away. Here, I would wish to articulate our expectation that China will respond positively to our quest for Permanent Membership of the UN Security Council, consistent with our strategic partnership.

A basic tenet of India's foreign policy since Independence has been the pursuit of global nuclear disarmament. We believe that general and complete disarmament, including nuclear disarmament must remain on the international agenda. It must be a key objective of the United Nations. India's status as a Nuclear Weapon State does not diminish its commitment to the objective of a nuclear weapon free world. Aspiring for a non-violent world order, through global, verifiable and non-discriminatory nuclear disarmament continues to be an important plank of our nuclear policy, which is characterized by restraint, responsibility, transparency, predictability and a defensive orientation. As a responsible nuclear power with impeccable credentials on non-proliferation, we have earned increasing international recognition as a partner against proliferation. We hope to work more closely with our Chinese friends on this front, too.

Ladies and gentlemen, although the subject today deals with India's Foreign Policy as a whole, I would like to focus particularly on Asia, where the interests of both India and China intersect. It is said that the logic of geography is unrelenting. Proximity is the most difficult and testing among diplomatic challenges a country faces. We have, therefore, committed ourselves to giving the highest priority to closer political, economic and other ties with our neighbours in South Asia. We have a vision of South Asia, unshackled from historical divisions and bound together in collective pursuit of peace and prosperity. We remain convinced that, on the foundations of its ancient civilisational and commercial interlinkages, South Asia can work together to emerge as a major powerhouse of economic creativity and enterprise. For that to happen, it is essential that we unlock the potential of South Asia by dismantling the existing barriers that restrict the movement of people, goods and investment within and across the region. It is with this perspective that we have extended our hand of friendship and co-operation to all our neighbours and proactively addressed whatever

differences we may have, including with Pakistan. We look at the SAARC process as a stimulus to strengthen cross-border economic linkages, through initiatives such as South Asian Free Trade Agreement, by drawing upon the complementarities among different parts of our region. We are encouraged by a growing perception among our neighbours in South Asia that a prosperous and economically vibrant India is an asset and opportunity for them. We encourage them to take advantage of India's strengths and reap both economic and political benefits as a result, since it is our belief that India's national security interests are better served if our neighbours evolve as viable states with moderate and stable political and social environment and robust economies.

We regard the concept of neighborhood as one of widening concentric circles, around a central axis of historical and cultural commonalities. In this, we see India's destiny interlinked with that of Asia. From this point of view, developing relations with Asian countries is one of our priorities, while pursuing a cooperative architecture of pan-Asian regionalism is a key area of focus of our foreign policy. Geography imparts a unique position to India in the geopolitics of the Asian continent, with our footprint reaching well beyond South Asia and our interests straddling across different sub-categories of Asia – be it East Asia, West Asia, Central Asia, South Asia or South East Asia. To those who harbour any skepticism about this fact, it would suffice to remind that we share one of the longest land borders in the world with China, that Central Asia verges on our northern frontiers, that we have land and maritime borders with three South East Asian countries, that our Andaman and Nicobar Islands are just over a hundred kilometres from Indonesia, and that our exclusive economic zone spans waters from the Persian Gulf to the Straits of Malacca. It is this geopolitical reality and our conviction that enhanced regional cooperation is mutually advantageous, which sustain our enthusiasm to participate in endeavours for regional integration, ranging from South Asian Association of Regional Cooperation to East Asia Summit and Shanghai Cooperation Organisation.

We believe that in our march towards economic progress, Asia in general and East Asia in particular, has been a natural partner. A common thread joins us. We stand to share the opportunities thrown open by the region's increasing economic integration, just as we face the common threats of proliferation of weapons of mass destruction, terrorism, energy shortage, piracy and others. The Tsunami disaster has also brought home the point, in a tragic way, of how much we share our destiny in the region.

It was in this context that more than a decade ago, we launched the “Look East” policy, which is now a vital part of India’s foreign policy. More than an external economic policy or a political slogan, the “Look East” policy was a strategic shift in India’s vision of the world and her place in the evolving global economy. It was also a manifestation of our belief that developments in East Asia are of direct consequence to India’s security and development. We are therefore actively engaged in creating a bond of friendship and cooperation with East Asia that has a strong economic foundation and a cooperative paradigm of positive inter-connectedness of security interests.

Ladies and gentlemen, our relationship with China is a key component of our “Look East” policy. There is a strong consensus in India on improving and developing our relations with China. Together with China, we have taken a number of positive measures to improve the quality of our relations across a wide range of areas, without allowing the existing differences to affect the overall development of our ties. Despite our differences on the boundary issue, peace and tranquility has been maintained in the India-China border areas, which is by no means a minor achievement. We have an active defence exchange programme and an elaborate matrix of confidence building measures that have helped promote greater trust between our two armed forces. We have a range of dialogue mechanisms through which we are increasingly able to understand and appreciate each other’s point of view and address outstanding issues.

There are many who look at India-China relations with the old mindset of “balance of power” or “conflict of interests” and see Asia as a theatre of competition between these two countries. Such theories are outdated in today’s fast-emerging dynamics of Asia’s quest for peace and prosperity and its interconnectedness. So are perceptions in some quarters that India and China seek to contain each other. To the protagonists of such theories, I would only like to say that India and China, as two continental-size economies and political entities, are too big to contain each other or be contained by any other country.

Today India and China are engaged in a positive way to expand their commonalities with extensive dealings in bilateral, regional and multilateral forums. Indeed, the determination of our two countries to qualitatively elevate our ties by establishing a “strategic and cooperative partnership for peace and prosperity” reflects our shared conviction that India-China relations have now acquired a long-term, global and strategic

character and hence, must be treated as such. Our rapidly growing trade and economic ties are a testimony that we are not just passively bound by our common neighbourhood, but are constantly interacting through a positive and meaningful agenda of collaboration. That from a meager few hundred million dollars in the beginning of nineteen-nineties, our trade was expected to surpass US\$18 billion last year should only underline the enormous potential for mutual reward that lies in store if our two countries cooperate. We are determined to take this process further ahead.

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. The prevailing global paradigm of cooperation among major powers also demands from the two countries that they work together to mutually support their rightful place in the comity of nations. We in India believe that there is enough space and opportunity in Asia and beyond for the two countries to grow.

With regard to the resolution of the boundary question, we are committed to carrying forward the process of exploring a political settlement through the mechanism of Special Representatives. We acknowledge the complexity of this longstanding issue but remain confident that a mutually acceptable solution can be reached if both sides show willingness to take bold and pragmatic decisions, accommodating each other's vital interests. As we move forward through negotiations, it is important for us to look at the boundary question from the long-term and strategic perspective of India-China relations, rather than as a mere territorial issue. There is a historic opportunity in front of us to settle this outstanding issue that we should not miss.

Ladies and gentlemen, if we are looking at Asia in the coming years, there is no doubt about a major realignment of forces taking place in our continent. Besides the emergence of India and China as two economic powerhouses in this region, there is Japan, the second largest economy in the world, which will retain an influential role in Asia's political and economic future, and with whom our relations are developing on the foundations of "global partnership" with a strong economic and strategic thrust. With ASEAN as well, our partnership is steadily expanding and deepening. We believe that the ASEAN holds the potential to become the fulcrum of economic integration in our region.

The future of Asia is in reality the sum of the success of each of these components and the strength of their inter-linkages. The key to

ensuring long-term security and stable equilibrium in Asia lies in the collective ability of Asian countries to build mutual economic stakes in one another. It is with this conviction that we espouse a vision of an Asian Economic Community. It can be a neighbourhood of peace and shared prosperity in which people, goods, services and ideas can travel with ease across borders. It may perhaps take the form of a dynamic, open and inclusive Pan-Asian Free Trade Area that could offer a third pole of the global economy after the European Union and NAFTA and would, in all certainty, open up new growth avenues for our economies. This will not be easy, but India is willing to associate with other like-minded countries to make it happen. The recently concluded East Asia Summit has laid the foundations for a cooperative architecture in Asia on an unprecedented scale and we hope, will potentially launch the process towards the possible creation of an East Asian Community. We would be happy to work closely with China towards progressive realization of such an East Asian Community and eventually, a larger Asian Economic Community.

Much has been said in recent months about India's relations with the United States. It is true that this relationship has acquired remarkable maturity and dynamism in recent years. A number of independent developments, some of which I have already noted, have created the climate for this transformation, including the end of the Cold War, India's emergence as a dynamic economic force and an objective assessment of the strategic implications of a world dominated by knowledge-driven societies. During the visit of Prime Minister Dr Manmohan Singh to the US in July last year, both sides agreed that India-US relations are moving beyond a bilateral partnership towards a global partnership, which is anchored not only on common values but also common interests. The visit served to highlight the strategic dimension of India's relationship with the US and underlined our common interest in combating terrorism, proliferation of weapons of mass destruction and enhancing global peace. There has been a convergence of views on strategic and security issues and on opportunities that exist for the India-US cooperation in defence, science and technology, health, trade, space, energy and environment. There is also a growing US recognition of India's central and enhanced role in international institutions and processes. US's economic and political stakes in the growth of the Indian economy and its integration with the global market have provided impetus to the India-US cooperation in a way that meaningfully addresses constraints on India's growth, including the deficits of energy and infrastructure.

India has also embarked on strengthening her multi-faceted relationship with Russia, with whom her traditional strategic partnership has been renewed. Recent high-level visits, including that of President Putin to India and the visits of our President and Prime Minister to Moscow within the last a little over one year, have added great impetus to this process. We are also encouraged by the emerging contours of the trilateral cooperation between China, Russia and India.

We have also moved forward in rejuvenating our relations with the European Union through our new "strategic partnership". There is a growing recognition of India as an indispensable partner within the EU. Indeed, the EU is as reflective as India is of a multi-lingual, multi-religious and multi-cultural society. Our shared values and beliefs in democracy, human rights, pluralism, independent media, and rule of law make India and the EU natural partners as well as factors of stability in the present world order.

Ladies and gentlemen, India remains committed to pursuing an independent foreign policy that best serves her national interests and accords with her expected role in the emerging global political and economic order. This policy seeks to promote multipolarity in international relations and to strengthen forces of multilateralism that help protect the interests of the developing countries and reinforce geo-strategic stability in the region and the world at large. To this end, we have sought to build on our traditional links with Africa and to cultivate stronger bonds with the Latin American countries. We believe that as two largest developing countries, India and China can together lend greater voice to the aspirations of the developing world and help the developing countries harness the positive forces of economic globalization. We should continue to work towards shaping a coalition of the developing world. Ladies and gentlemen, today India is on the cutting edge of economic, technological and developmental transformation of significant dimensions. She is regarded as a factor of stability, a model of secularism and plurality and as an economic power that is destined to play a greater role in international affairs. In keeping with this changing image of India, we have adopted a foreign policy, which has a clear focus, a sense of maturity and responsibility, and a vision to make India strong and prosperous in the 21st century. As we do so, we remain steadfast to the core ideals of India's foreign policy, which were laid down by our first Prime Minister Jawaharlal Nehru and which have guided us since our Independence. At the same time, we also remain vigilant to the new demands and compulsions imposed upon us by a rapidly transforming world around us. We are confident of our capacity and capability as a nation

to respond successfully to these newly emerging challenges and opportunities. We also remain confident that India would continue its journey towards a destiny that was eloquently articulated by Pandit Nehru in 1947, a destiny in which India “attains her rightful place in the world and makes her full and willing contribution to the promotion of world peace and welfare of mankind”. Thank you.

Question and Answer Session following the Speech

Prof. Yang Jiemian, Vice President of SIIS: Thank you very much Secretary Saran, for your very all round and very stimulating, very thought provoking speech. And now, the floor is open. And please give me a signal so you can be called upon. Before you are asking questions, please keep in mind, keep your comments or questions as short and terse as possible. Now the floor is open.

Prof. Zhang Duijing, European Department, SIIS. My question is you have just had the second China-India Strategic Dialogue with your Chinese counterpart in Beijing and I would like to ask you what is your comment on the outcome of the dialogue. Do you think the dialogue has been institutionalized? And also what role this dialogue can play in our bilateral relations? We, China and India, also have now Special Representatives’ talks on the boundary issue. Putting all of them together, what do you perceive are the prospects of our bilateral relations in the years to come? Thank you.

Foreign Secretary: Thank you very much. The Strategic Dialogue between India and China already is institutionalized. It is to take place on an annual basis. And as you may be aware, the first round of the Strategic Dialogue took place in New Delhi last year, also in January, and this time, in Beijing, was the second round of this dialogue. It has been agreed between our two countries that it has to be an annual feature in terms of our interaction. Now as far as the outcome of the dialogue is concerned, this particular round was very important because it is the first round to take place after India and China declared their intention to establish a strategic and cooperative partnership for peace and prosperity. As you know, this declaration was adopted during the visit of Premier Wen Jiabao to India in April 2005. So one important objective of this dialogue was to explore between our two countries what would be the nature of the strategic partnership between our two countries, what would be the content of that strategic partnership. India and China are the two largest developing countries in the world, the two countries which are developing the fastest,

as also two of the most important countries in Asia. Therefore, in that context, we agreed that our strategic partnership takes on a special character because of these reasons. We have agreed that as two of the most important developing countries, there are a number of global issues which cannot be resolved unless India and China participate. For example, if you are talking about environmental degradation, if you are talking about how to tackle global pandemics, like HIV/AIDS, or avian flu, if you are talking about aspects such as non-proliferation, all these are areas where unless India and China, as the two largest developing countries, are also part of the dialogue it is very difficult to see how these problems can be resolved.

Therefore, it was agreed that India and China, should work together in contributing to the solutions of some of the major global challenges of our times. The other aspect that we discussed was the role that India and China can play together in safeguarding, and not only safeguarding, but also in promoting the interests of developing countries as a whole, because developing countries look to India and China as, in a sense, champions of their cause. So if India and China can join hands together perhaps they can do a much better job of safeguarding the interests of developing countries as a whole. For example, this is already happening within the World Trade Organisation - on many trade issues, we have already worked together. So we agreed that we should intensify this. Similarly, if we are talking about India and China being Asian countries, then there is a certain contribution that we can together make to the peace and prosperity of Asia. And in this context, what I said in my speech to you that neither country looks upon the other as a competitor or as a rival. We believe that there is enough space in Asia and the world for both the emergence of India as well as the emergence of China. And that we can together contribute to the further development of Asia. In that context, we agreed that we should work together, for example, in the creation of an East Asian economic community, and perhaps even a larger Asian community. So, as you can see, there is a very rich agenda, as far as our strategic partnership is concerned. This will be what will occupy us in the next several years. You asked what would be the outlook for India-China relations. It is in this context, that we say that India-China relations have acquired a certain maturity and a certain long term character. Thank you.

Prof. Shen Ding Li, Professor in Fudan University & Vice Chairman of China Association of South Asian Studies: I couldn't agree more on your points. In particular, India and China are working together to build the Asian community. I dream to have an Asian Union in this century

for the next 95 years to work out and our two countries deserve to be the co-leader. Then my question is, a strategic partnership is a concept. Unless we could fill the vacuum to substantiate the concept, it would remain a concept and not a substantive cooperation. The strategic cooperation is in working with India on India's quest for a permanent seat at the UN Security Council. This should define the watershed of the strategic partnership, in my view. My question is do you urge or hope that China would meet India's expectations to respond positively. The question is has India been satisfied with the current Chinese response? How India would encourage China to respond more positively, to be a true strategic partner? Thank you.

Foreign Secretary: Well, let me begin by saying that both India and China have agreed that United Nations needs comprehensive reforms. There is no difference of opinion on that. Both India and China also agree that there is what we call a democracy deficit in the United Nations. Particularly, as far as the representation of developing countries is concerned. As far as India's own candidature for the UN Security Council is concerned, I think we are satisfied with the statement made by Premier Wen Jiabao when he was in India, where he assured in a Press Conference that China will never be an obstacle to India becoming a permanent member of the UN Security Council. Now, we greatly value China's statement of support. But this is a complicated exercise. And it is something which will require a considerable amount of hard work on our part. We are engaged in that very hard work. And we believe that we have currently the support of the majority of the countries of the United Nations. What we are looking at is how do we bring about a mechanism through which the expansion of the Security Council takes place. Our preferred mechanism is that of the G-4 framework resolution. China does not agree with that because perhaps China has some reservations about some of the candidates for permanent membership. Well, that is something that we will have to discuss further and work out. But as far as support for India's candidature is concerned, I think it would be fair to say that China has displayed a positive attitude.

Prof. Xiao Yiqun, SIIS: Your Excellency, India has been quite active in its diplomatic moves over the years, including its participation in Shanghai Cooperative Organisation as an observer and also a member of East Asia Summit, going much more beyond the sub-continent and Indian Ocean and showing a new aspect of India's diplomacy. We appreciate very much India's efforts to join regional integration but I think we hope to know much more about India's policies, the substance of India's policy. So just like Prime Minister Singh has described the role of India in Asia-Pacific region

as balancing force when he was in Kuala Lumpur, could you please further elaborate to this point. What does he mean by this balance? What does India really want to balance or in what way and does that point to the economic area or what else? Thank you very much.

Foreign Secretary: I think, first of all, before you nurse any suspicions, let me say that India is not trying to balance China. (Laughter). I think what Prime Minister Singh was trying to say, and what we have been saying for some time, is that for India, we have an interest in seeing a more multi-polar world emerge. That is, if there are more centres of economic activity, if there are more centres of political influence, if the world order or the regional order becomes more diversified, we believe, the greater the chances of maintaining peace and stability. And therefore, if in the coming years, India, like China, can make a contribution towards the economic dynamism of Asia, if we can make any contribution towards the political stability of the continent, we believe that this would be a very positive role that India can play. I don't think one should read anything beyond that in Prime Minister Singh's statement.

Prof. Pan Guang, Shanghai Academy of Social Sciences (SAAS) and Director, Institute of Eurasia Studies: Thank you Mr. Secretary for your presentation. My short question, as you know, your Minister of Energy arrived in Beijing, maybe today. I just want to ask you to make some introduction or comments on the energy cooperation between China and India and also the very sensitive project, gas project, from Iran to Pakistan to India. Thank you.

Foreign Secretary: Well, you know India and China are the two fastest growing economies. We are now not only important producers of energy, but we have become very large consumers of energy. And if the present trends continue, then it is quite possible that energy will become a constraint on our growth. Not only a constraint on the growth of India and China, but will have a global impact also. Because, energy resources today are finite, and therefore, if there is a very large demand push from India and China, it only stands to reason that prices of energy, globally, will go up. Therefore, I think, it is very important for India and China to be working together, both as producers of energy as well as consumers of energy. Now the good thing that has happened is that in some cases, India and China are already working together and collaborating together in developing some new resources in Africa, for example, and in other places in the world. And I think, this trend is only going to increase. But, it requires that our

exploration companies and our oil companies must get to know each other better, they must learn to work with each other more closely, and what has been happening in the past two years is precisely that -that the range of contacts between our petroleum and our gas establishments has increased quite considerably. And it is in this context, that the visit of our Minister for Petroleum and Natural Gas to China has acquired a certain importance.

But I will go beyond this and say that currently in India, we are looking at a whole range of energy issues. We are looking at how to develop, for example, nuclear energy as an alternative source of energy. We are looking at developing our hydropower resources. Thermal energy or coal based energy is probably going to remain the main source of energy for India for quite some time, because that is the most plentiful source of energy in India. I think, if I am not mistaken, the same is the case with China. But this has environmental dimensions. So we are very actively engaged in doing research, for example, in clean coal technologies. We have collaboration in this respect with some other countries like the United States of America, and with the European Union. We are also looking at certain non-traditional sources of energy. For example, there is a big movement in India for bio-fuels or plant-based fuels. So, if we want to really look at our energy requirements for the next ten-twenty years, then not only do we need to focus on finding new sources of oil and gas, but we need to also look at many other sources of energy. Now in this, I think, perhaps India and China are lagging a little behind. For example, India has an energy dialogue with United States covering the whole range of energy issues. We have an energy panel with the European Union, and we have again a whole range of issues being discussed. I think, we need something similar also between India and China. One good thing that has happened is that India and China will be also working together in the context of the ITER project, which is the fusion energy project, which has a great promise for the future. And in this respect, we are grateful to China for having supported our membership of the ITER project.

Prof. Dui Hang, SIIS: Mr. Secretary, we have heard your wonderful speech on Indian Foreign Policy and it is encouraging to see fast developing and fully confident India that has been rising rapidly. India's foreign policy has been expanding. In this regard my question is, in what way you would like to describe the nature of India's foreign policy? Is non-alignment still its fundamental characteristic or India keeps that as a part but has transformed guideline according to the rapid changing environment? How would you assess the status quo and prospects of Non-Aligned Movement in today's world? Thank you.

Foreign Secretary: I would begin by clarifying that the Non-Aligned Movement is not the same thing as non-alignment policy. India's adherence to the policy of non-alignment is something which continues, although unfortunately, the Non-Aligned Movement has lost a great deal of its strength over the last 15-20 years. Now for us, the essence of non-alignment was a policy of independence. That is, judging each case on its own merit, not being influenced by the viewpoint of any other, and in the last analysis, basing our actions on our own national interests. Now these are very fundamental issues and they are not likely to change over a period of time. Does this mean that policy of non-alignment is rigid? Certainly not. Because as the environment around us changes, we have to make adjustments in our policies. And India has made adjustments in her policies. But I think what is a remarkable feature of India's foreign policy is that despite many of these changes, there is a certain continuity in the way we have interacted with the rest of the world. Those fundamental tenets have not changed. I was telling my friends in Beijing that today we are establishing a new strategic and cooperative partnership between India and China. I drew attention to the fact that when India and China jointly espoused the Five Principles of Peaceful Co-existence, it was in a sense like a strategic partnership between India and China in the 1950s. So, even at that time, there was a very strong recognition of the need for India and China to work together.

Prof. Hu Zhou, Ph.D. Researcher, Fudan University: It is my great honour to be here to listen to your wonderful speech. My question is concerned with the issue of energy. I read some news and articles about your Government's consideration to build a gas pipeline starting from Iran passing through Pakistan and reaching New Delhi. But Iran now is considered a rogue State by the US Government. And the US Government hasn't lifted the sanction against Iran yet. Are you satisfied with your Government's plan to build such an energy pipeline? I was wondering if India builds such relationship with Iran, what sort of influence this might have on current Indo-US relations? This is my first question. Second is why your government is strengthening relations with US? Is the US planning to provide nuclear energy technology to your country but not provide such sort of technology to China? I think the strength of Indo-US relations is aimed at containing China. This is my question. Thank you.

Foreign Secretary: Well, the first part of your question first. I am sorry somebody had asked me about India-Iran-Pakistan pipeline, but I omitted to comment on that. As far as this pipeline project is concerned, we have said on a number of occasions that our decision to go ahead or

not go ahead will be based on the economic viability of this project. If it is an economically viable project, given the energy requirements that India has, we see no reason why we should not go ahead with this project. As far as our relations with Iran are concerned, these relations are very important to India. We have a very long-standing historical and cultural relationship with Iran. This goes back many thousands of years. It is not of recent standing. Iran is one of most important sources of energy for India. About 30% of our oil comes from Iran. Iran is also a country which is located in the very strategic Gulf area where today about 3.5 million Indian citizens are living and working. So anything which happens in the Gulf directly impacts on the welfare of these Indian citizens. Today Iran is also important to us as a transit country for Central Asia. Since we are not able to transit through Pakistan to Afghanistan or to Central Asia which is a natural route, it is through Iran that much of trade with Central Asia takes place. So, if you look at all these aspects, you will see that there is every reason for us to have very good relations with Iran. As far as the United States' relationship with Iran is concerned, I think it not necessary for us to follow the compulsions or the view of the United States of America in every relationship that we have. The other issue about the India-US relations. Well I think you should put this relationship in some perspective. If you look today, at say India-US trade, it is probably 1/10th of China-US trade. We have a very long way to go until we come even to your level. If you are talking about investment, US investment in China is several times more than the US investment in India and if you are looking at high-technology trade, despite the restrictions that you may be talking about, last year, if my figures are correct, India-US high-technology trade was just a little over a hundred-million dollars while it was nearly a billion dollars with regard to China. So for you to feel that somehow there is something very strange happening between India and the US, I don't think that has any basis.

Prof. Chen Dongxiao, SIIS. Mr. Saran, I enjoyed your presentation very much. I particularly noticed that in your speech you mentioned that India has a vision of South Asia unshackled from historical divisions and bound together in collective pursuit of peace and prosperity. On one hand, as a Chinese scholar we have noticed that some improvement as well as a relaxing development in the regional situation on the sub-continent. But on the other, as we all know that the root cause for all those problems is very difficult to disappear overnight. And so, my question is, in this respect, can you share with us some of your views on the regional situation, say India-Pakistan relationship? What is your view of your interaction with Bangladesh, and what is your view on Nepal's internal situation? Thank you.

Foreign Secretary: Well, you know, there has been certainly an improvement of relations between India and Pakistan over the past couple of years. If you compare the relationship that existed between India and Pakistan before January 2004 and today, there is a very remarkable change. Just in terms of the number of people who are traveling back and forth across the borders - today the Indian Mission in Islamabad issues something like 11,000 visas per month for Pakistanis traveling to India. Despite the fact that Pakistan has put many restrictions on trade with India, trade between India and Pakistan has been increasing. We have also increased our interactions over a number of other areas. You have seen that we have opened several new bus services across the border, and across the Line of Control.

On February 1, we will have a train link, new train link, between the two countries. So all in all, there is considerable amount of positive development taking place in the relationship. In 2004, President Musharraf made a commitment to our then Prime Minister that no part of the territory under the control of Pakistan would be used for any terrorist activity against India. Now, what has happened is that there have been some ups and downs in level of activity of terrorist groups or jihadi groups from Pakistan operating on the Indian side. But we cannot say that there has been a pattern of decline in this activity. And in the recent past, in fact there has been even an increase in such activity. Our plea to our Pakistani friends has been that our ability, as Indians, to carry forward this dialogue or to carry forward this peace process with Pakistan is dependant upon our ability to carry our people with us. Unless there is public opinion behind such a policy, we may not be able to carry forward this policy. Every time there is a terrorist incident in India, every time innocent women and children die, public opinion starts becoming negative. You might have read that sometime back in a very crowded market place in Delhi, there was bomb blast which killed about 50 people, ordinary shoppers, men, women and children. I would say to you that instead of 50 people, if 500 people had died, I think no government in India could carry forward the peace process. And those who have been implicated in these bomb blasts have their links with terrorist groups which are freely operating in Pakistan. So Pakistan has to make a choice. In today's world, terrorism has no place.

With regard to Bangladesh, we are facing a similar problem, because there is a rise of religious extremism in Bangladesh. And you might have seen that some time ago these groups tried to display their strength by having bomb blasts in virtually all the districts, different districts of

Bangladesh. Now this is where I think the policy that we have tried to adopt towards our neighbours is to convey that terrorism is not just a threat to India, but also a threat to stability of those countries as well. Secondly, we also have tried to convey the view that a prosperous India, an India which is growing can be a great asset to our neighbours. So they should look at India as an opportunity, not as a threat.

Prof. Ma Ying, SIIS: Your Excellency, I enjoyed your presentation which reminded me of the time we visited your country. You mentioned India's relations with Asia in your speech. And we know that India has adopted a "Look East" policy since the early 1990s and has made much progress over the years, and is especially evident in India's participation in many activities in South-East Asia and West Pacific. To my understanding, India's first and foremost goal of this policy aims at economic engagement. In the meantime, I have also noticed that many Indian officials and officers constantly talk about India's interest in security areas and the regime in this region. In fact, India sent its fleet to South-East Asia and South China Sea and very recently India invited some of the South-East Asian countries to an eight-country joint military exercise held in the Andaman Sea. My question is that, whether India has a security concern in this part of the world. What is the nature of India's concern, if any? And also what is the real interest India has to defend in this region? Thank you very much.

Foreign Secretary: I think I mentioned in my address that if you look at the geographical location of India, it, in a sense straddles sea-routes both towards the east and towards the west. I also mentioned the fact that if you look at India's exclusive economic zones, it covers both up to the Persian Gulf and to the Malacca Straits. I also pointed out that the last island in the Indian chain, the Andaman and Nicobar chain is only about 100 km from the first island of Indonesian chain. Now it should stand to reason, given such a large exclusive economic zone that we have certain very important assets in terms of off-shore oil assets, particularly, in the Arabian Sea. We are also currently making explorations in the eastern part, in the Bay of Bengal. If you look at the reliance on the trade routes both east and west, it is only natural that India would be developing a capability in order to be able to safeguard these assets and these routes. This should not be regarded as being directed against this or that country. Secondly, as far as these exercises are concerned, I think these are very friendly exercises, which enables us to have personal contacts with the security officials of a large number of our neighbouring countries. This way

you avoid misunderstanding, you avoid any kind of misperception, because, you have that personal association.

You understand what precisely is the nature of the strategy that India is following. And let me also stress in this regard that we have found these exercises extremely useful in terms of developing a very cooperative kind of relationship. It is very good, for example, that we have also been having similar kind of exercises with China. Also as far as this particular part of the world is concerned, as you know in the South China Sea or in the southern part of the Bay of Bengal we have been facing a lot of problem of piracy. The phenomenon of piracy has become more and more difficult to deal with. Recently, we have signed an agreement with a number of Asia-Pacific countries, precisely in order to deal with... cooperatively deal with the problem of piracy. The other aspect is, of course, how to deal with the problem of natural disasters, like the Tsunami. Now I think the fact that India was able to use its naval capabilities in order to assist some of the countries in the region, like Sri Lanka and Maldives, is a positive thing. It should not be looked upon as a negative development. So, as far as India's strategy is concerned, it is entirely defensive in nature and it is to really safeguard our own vital interests.

Prof. Ren Xiang: Mr. Secretary, my question is related to South Asian Association of Regional Cooperation. Now China has become an observer in SAARC. In what aspects do you think, China might be able to contribute to SAARC and in addition to China's relations with individual South Asian States? And what role do you think China can play in the multilateral process if there is any in South Asia? Thank you.

Foreign Secretary: Well, we have welcomed China having become an observer with the SAARC and in fact there are a number of areas where China can contribute. The South Asian countries themselves have identified a number of areas. These areas relate to, for example, how to deal with the challenges of environment. We have a number of projects that we are doing in the health sector. We are doing projects in the agricultural sector. We are looking at how to improve the communication network throughout the region. So, there are a number of regional projects which are on the agenda and frankly, it is for China to select which particular area it would like to work together with the Association. Part of the problem that we are facing is that South Asian countries themselves do not have many collaborative projects. The Association has been in existence for the last 20 years and India has pointed out on a number of occasions that in these 20 years we have not done even one single collaborative project. So, there is also the reality that

unless South Asian countries themselves decide to work together and come up with collaborative projects, the possibility of very close cooperation with countries outside the region may not be that big.

Prof. Jiang Qun, Department of American Studies, SIIS. Thank you Mr. Secretary. You just mentioned energy issue and India-US relations, but its not enough for me (laughs). So, my question is, US President will visit India soon and possibly this visit is seen as a historic one as far as the India-US relations are concerned. We have also noticed that Prime Minister Singh's visit to Washington last July resulted in a civil nuclear deal and following that the US raised a request that India separate civil nuclear programme from military one. My question is, in your view, what is the real motive behind the US demand. And what worries US might have for implementing this deal?

Foreign Secretary: Perhaps you could tell me what your worries are. (Laughter). Since you said that you are not satisfied with what I said before. What is it that you were not satisfied with?

Prof. Jiang Qun: (Laughs) I am not an expert, so that is my question for you. (Laughter).

Foreign Secretary: Let me try and put India-US relations in some perspective. You see, over a very long period of time, since the 1950s itself, India refused to be in this or that camp. India said that it would follow a non-alignment policy. At that time, if you remember there was a very famous Secretary of State of United States, Dallas, who said "You know, there is no third way. You either have to be with us or you have to be against us". Pandit Nehru at that time said, "Well, I do not wish to be a part of this or that alliance. I want to be independent." Again over a period of time or because of certain international situations, India developed a very close relationship with the then Soviet Union. The Soviet Union contributed a great deal to India's economic development over a certain period of time. In a sense, India developed a certain strategic relationship with the Soviet Union.

So, over a long period of time, although India was seen as a democracy, like the United States of America, but the United States had always a sense that we were somehow on the wrong side of the fence, not on the American side of the fence. So, despite the many other relations that have developed very closely between India and the US, particularly, people to people relations, or relations amongst our academic communities or relations between our civil societies; as far as the perception of the United States' administration was concerned, India was not quite seen on the side of western democracy.

Since the end of the Cold War, this particular perspective has changed. The United States is no longer looking at the world from the perspective of the Cold War, because the Cold War is over. And therefore, many of the commonalities which exist between India and the US have now come to the surface. I think the United States is seeing that India's political system is very similar to the States. There is a very vibrant democracy in India. The United States is beginning to appreciate that at least since 1990 there has been a very major change in India's economic policy. That Indian economy has become much more open. This openness of the Indian economy has created many opportunities for the United States as well. Another very important factor is the emergence of India as a knowledge power because of its IT industry. This more than anything else has perhaps changed the perspective of the United States in looking at India, because India is seen as a country which has a very strong knowledge base, which is very closely connected to the United States, because we also have, as you know, something like 2.5 million Indians who are in the United States and are very highly qualified professionals.

So there are a number of reasons why the US' view about India has been changing. And let me be very frank, as far as India's economic growth is concerned, as we move to a higher and higher level of development, our need for higher technology increases. As our economy matures, we will need more investment, we will need more sophisticated technology. And I think China will not disagree that the United States of America remains the premier source, one of the most important sources of high technology. So there is certain logic to the relationship that is emerging between India and the United States. But let me once again say that this should not be seen as a relationship which is developing at somebody else's expense. As I pointed out earlier, your engagement with the United States of America in all these areas is far greater than that of India. We have a very long way to go to come to the level at which you are with United States. With regard to the civil nuclear energy cooperation agreement, the background to this really is what I had mentioned earlier, the energy challenge which India is facing. If India is to ensure that energy does not become a constraint on our growth, then we have to look for different alternative sources of energy. Now, why is nuclear energy important is because, over the years, India has built up a very complete, comprehensive infrastructure in nuclear industry. We have today, perhaps, one of the most sophisticated nuclear industries in the world. Much of this has been developed indigenously because we have faced a lot of sanctions over a long period of time. But if

we are looking at the future, nuclear energy offers a very important source of energy for India's developmental needs.

Now, the United States of America is saying that we accept that India requires new sources of energy and the policy that has been followed over the last, maybe more than thirty years, is a policy that has not really achieved whatever objectives it had. If the objective of those policies, since 1974 was to somehow or the other restrict India's nuclear industry or to restrict India's development in the scientific and technical field, it has not succeeded. So what is the point in having those kinds of policies. On the other hand, if India is going to have access to international cooperation in nuclear energy, the advantage for India is that it will have faster growth. The advantage for the rest of the world is that they would have a certain partnership, a certain stake in India's development. That is the logic to the civil nuclear energy agreement. The civil nuclear energy agreement has not been concluded. There are many pitfalls before we get to that point. But we are certainly working on it.

Prof. Wang Dehua, Shanghai Academy of Social Sciences (SASS), Institute of South Asia and Central Asia Studies: As I was coming here, Prof. Tan Chung told me that he is a friend of yours. He sent an email to me, asking me to convey his regards to you. He said that he is writing a book about 'Himalayan gap and understanding'. My question to you is how to let the Chinese people and the Indian people know each other better and overcome all the gaps? I found that the Indian friends coined new words "Chindia" for China and India. What is your comment on it?

Foreign Secretary: Well, I could not agree more than that. You know, India and China need to get to know each other and particularly the younger generation needs to get to know each other. When Premier Wen Jiabao came to Delhi it was agreed that during this year, which is the India-China Friendship Year, we will have an exchange of youth between the two countries. We will be inviting a few hundred Chinese youths to come to India and vice versa. But the India-China Friendship Year also has a number of other events that are planned in the nature of exchange of cultural troupes, scholars, holding seminars and workshops, promoting scholarship on India in China, etc. So there are a number of activities that we are looking at in this Friendship Year. I think the only way that we can address this deficit in terms of information about each other is by encouraging as many exchanges as we can. And I think in that context, I am very thankful to Madame Yu here for having arranged this interaction. I hope I have been able to create

a little more understanding than there has been before about India's foreign policy. I am told that in 2004, the number of visas issued for visits from China to India was about 26,000 and in 2005 they reached 33,000. So this is a very encouraging trend and we would certainly like to take this forward.

Prof. Lu Gang, SIIS: The first informal meeting of the Foreign Ministers of China, India and Russia was held in Russian Far East¹ last June leading to lots of reports and analysis of prospects of what is known as a new type of China-India-Russia relations. Some have gone very far as to describe the trilateral relations as a sort of a new alignment vis-à-vis unilateralism. My question is, what term would you like to use to describe the nature of the trilateral relations. In what factor do you think the three sides are likely to develop cooperation best? Should the three sides establish a long-term perspective for the future of trilateral relations? If so, what it would be?

Foreign Secretary: Well, I would be very reluctant to describe it as anything other than what it says, which is trilateral cooperation. I see no reason why we should try to read into it something more than it is. We certainly do not see a trilateral cooperation amongst the three countries as directed against any third country. And I think it is not in the interest of either India or China or for that matter Russia to try and suggest that is some kind of a counterbalance to some other country or a group of countries. There are a number of areas where the three countries can work together

1. It was the first stand-alone meeting of the three ministers held at Vladivostok on June 2, 2005. There were three meetings before this which were held on the sidelines of the UN General Assembly sessions in 2002 and 2003 and one in Almaty in 2004 on the sidelines of the Conference for Confidence Building Measures in Asia. One of the decisions taken at the Vladivostok meeting was that to increase business contacts between the three countries, a trilateral business meeting would be held in New Delhi before the end of March 2006. In the Joint Declaration issued at the end of the Summit meeting between Russian President Putin and Chinese President Hu Jintao in Beijing on March 21-22 a call was made by the two leaders to set up an institutional framework between China, Russia and India for trilateral cooperation. The Declaration said: "The two sides favour an early establishment of a mechanism of trilateral cooperation in the Russia - China - India format in the belief that this will contribute to a fuller realization of their potentials for economic development and will strengthen international efforts to stand up to new threats and challenges." During the visit of Hu Jiantao to New Delhi in November the concept of trilateral cooperation found expression in the Joint Declaration issued on November 21. It said: "The two sides positively assess the trilateral dialogue mechanism among India, China and Russia and agree that exchanges and cooperation under it should be further substantiated."

and in fact, they have identified those areas. For example, we have identified energy as an extremely important area where the three countries need to cooperate together. We have drawn attention to the fact that despite the three countries enjoying very good political relations — for example, today China and Russia enjoy very good political relations, Russia and India have all along, in fact, enjoyed very good political relations, and India-China relations have improved dramatically over the past few years — if we look at the economic relationship between these three countries, it is very far away from the potential. So, currently what we are trying to do is to see how we can focus attention on developing our economic and trade relations. So, in March this year, at the end of March, we are planning the first trilateral business summit of the three countries in New Delhi, in order to bring in the business communities of the three countries closer together. Is there a possibility of our also cooperating on some international issues? I think that is open. For example, we would certainly be very happy to cooperate with our partners in China and Russia on issues like terrorism. That is a very important issue for us and I know that it is a very important issue for Russia. I think that it is also an issue for China. So, if that is an area where we would like to work together, I think the willingness would be there. If we wish to work together on issues such as improving the transport connectivity amongst the three countries, yes, I think there would be a lot we could do together. So, I think the agenda can be a very substantive agenda for cooperation amongst the three countries. But certainly, India would not like this to be seen as some kind of emerging alliance amongst three countries which is directed against somebody else.

Prof. Ye Qing, SIIS: In your speech you mentioned about the unique location of India in Asia and you talked about India's external relations with South Asia, Japan etc., but what you had neglected is West Asia, I mean Middle East. I have noticed that new change has taken place in India's Middle East policies. For example, Iran is quite frustrated after India turned against it in IAEA's voting last year. Could you please give me some clue about the new re-orientation of India's Middle East policy?

Foreign Secretary: Well, I am sorry that I neglected to touch upon India's relations with the Gulf. But I think if I started covering every aspect of our relationship, I don't think Madam Yu would be going home this evening. Certainly our relations with the Gulf are, in fact, of longer standing than perhaps, in a sense, our 'Look East' policy. I mean, there was a need for a 'Look East' policy but there has not been a need felt for a "Look West" policy, because that policy has always been there. I just mentioned to you

that there are 3.5 million Indians who are living and working in the Gulf and that itself is a major aspect of our concern as far as this region is concerned. You may have also seen reports that in 2004 there were three Indian citizens who were taken hostages in Iraq. We spent about a month of very difficult negotiations in trying to get them out. So, there are very close interests with the Gulf and these interests are not only economic because the Gulf is the major source of our energy but also again very long-standing historical and cultural links with each one of these countries in the Gulf.

We attach a great deal of importance to our relationship and there have been some significant development taking place. For example, with the Gulf Cooperation Council, we have already established some kind of an economic framework. There is an economic and industrial cooperation group convened by the apex Chambers of Commerce, at which there is Ministerial level participation, which is to meet every two years. That has been very important. Very soon, we will be receiving in India the new Saudi King and this will be the first time after many years that such a visit is taking place and reflects greater engagement that India is having with the countries of this region. We have appointed a Special Envoy for West Asia, who has considerable amount of experience of this region and he has been paying a number of visits to the countries of the region and that has improved our engagements with these countries. We are using our strengths in the areas, for example, the IT in order to contribute to the economic development of some of the Gulf countries and that has been greatly appreciated. So, there has been an all round upgradation of our relations with virtually all the Gulf countries. And as far as Iran is concerned, whatever may have been Iran's disappointment with regard to the vote in the IAEA, neither Iran nor India believes that this has in any way diminished the importance that both of us have attached to relations between the two countries.

Prof. Zhang, SASS: I noted in your address that you said India have sought to cultivate stronger bonds with Latin American countries. Would you like to tell us about some activities of India in Latin America and India's Latin American policy?

Foreign Secretary: There has been a perception in India in the past couple of years that the Indian foreign policy has not paid much attention to our relationship with the Latin American countries. For many years, our relationship was mostly with very key South American countries like Brazil or Argentina, to some extent with Venezuela but as far as much of the rest of Latin America was concerned, we did not really have much of contact

with them, partly because of the distance, partly because the communication between the two sides were not very easy. Now, that is what has been changing over the last couple of years. What has led to this is, well, partly economic. Because as India has become more and more of a global economy, as it is looking for trading opportunities, looking for investment opportunities in more and more areas, Latin America is now coming on the radar screen. So, this is more like a natural process that is taking place. The other very important aspect is energy and there for example, we are developing very close relations with Venezuela because Venezuela is a very important oil country.

And we are also looking for exploration possibilities in Southern America. We have also with respect to some of the smaller countries, a very large economic and technical cooperation programme. This technical and economic cooperation goes back to 1964, where we have been sharing our experience in development, in small scale industry, and now for example, in IT or in management which are the areas of strength of India. We have been sharing this with a number of developing countries but not so much with the developing countries in Latin America. Now, for example, in the last couple of years, we have started doing that. We are working together with some of the smaller Latin American countries for developing their IT parks and IT networks. This is emerging as a new area. We are receiving many more Latin American students as well as technical personnel. We are also cooperating with Latin American countries for political reasons as well. For example, for support for our Permanent Membership of the UN Security Council, we have to mobilize as much support as we can and Latin America is a very important constituency. We have been doing a lot of work there as well for that reason.

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002. Media Interaction by Anand Sharma on assuming charge as Minister of State in the Ministry of External Affairs.

New Delhi, January 30, 2006.

MINISTER OF STATE FOR EXTERNAL AFFAIRS (SHRI ANAND SHARMA): I am grateful, of course, to the Congress President Mrs. Gandhi and the Prime Minister for having reposed their trust in me.

As I assume charge, I am conscious of the responsibility and the expectations. It is a challenging assignment and it shall be my endeavour to work to the best of my ability. I am fortunate that we have an able Foreign Secretary, Secretaries in the Ministry, who will be able to advise me and support me in discharging my responsibility.

My only priority would be to ensure that whatever task has been assigned is done well. I would like to serve my country and its people with humility.

QUESTION: *Do you agree there are quite a few challenges of which you have been made aware. External Affairs is such a Department where challenges arise from the beginning.*

Minister of State for External Affairs: *There is no field where there are no challenges. The life itself is like facing a challenge; we have to find solutions to the problems. I believe in resolution of the problems. I have no doubt that given our efficient Foreign Secretary and his team, we shall find solutions to the problems. There is nothing to worry about.*

QUESTION: *The biggest problem is that there is no External Affairs Minister. The other issue is America-Iran nuclear stand-off. You don't need particular briefing since as Spokesperson you have been taking positions....*

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I do not want to comment on it now. The two are separate issues. With America our relations are as between nations. Both are sovereign nations. Both have important position in the world. America accepts India's role. We have been accepted as a responsible nuclear power. I do not see any problem in this as you seem to suggest.

QUESTION: In relation to Iran...

MINISTER OF STATE FOR EXTERNAL AFFAIRS: India's position has been quite clear and we are not deviating from that position. It has

been our endeavour to find a way out. India has been in touch with the other countries like E-U-3 – We have been in touch with Russia too. WE have ideas: I would not like to say anything on this for the time being. It is our desire to find a solution which is generally acceptable and satisfying to all.

QUESTION: *Now about your partners and allies....*

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I do not want to say anything more. When there is a coalition government, others can have a different point of view. That too will be resolved in national interest, in India's interest, and in accordance with our independent foreign policy through discussions. It has happened in the past and will happen in the future too.

QUESTION: (Inaudible)...

MINISTER OF STATE FOR EXTERNAL AFFAIRS: The Government of India's position has been very clear and consistent. Unnecessarily some confusion has been created in the past. Whatever decisions are taken by the Government are in conformity with our stated foreign policy and also in the interest of India and the world. We had meaningfully engaged last time also with the EU-3. We had been talking to Russia and other countries involved to find a resolution of this issue. We are fully confident that eventually there will be a resolution of this too.

QUESTION: With the threats from the Left, you are in the hot seat. You will have to do a lot of fire-fighting.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: There is no question of hot seat. I was in a hot seat earlier too. But let me tell you there is no threat from the Left. Yes they have their perception, and we will talk to them.

QUESTION: Is not that tight rope walking?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: Managing a coalition and diplomacy, both are tight-rope walking. We will do it. We will have the cooperation and understanding, I am sure, of the Left and coalition partners. It is only by talking to our other allies that we make them understand what are the requirements and what view we have.

QUESTION: Is the anxiety rising as February 2 approaches?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: Of course not. We will deal with it and we shall pass that also.

Thank you very much.

Text in italics is translated from Hindi.

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003. Opening statement by Prime Minister Dr. Manmohan Singh at National Press Conference.

New Delhi, February 1, 2006.

"I am delighted to be here with you today. I have been meeting many of you from time to time and I have had the pleasure of interacting with our media in different parts of the country. However, it is over a year since I have been able to find the time to address a National Press Conference. This intervening period has been a truly remarkable period in terms of the level of activity of the Union Government. The UPA Government has been able to fulfill almost all the important promises we had made to the people through the National Common Minimum Programme. We had presented a Report to the People at the end of our first year in office, and second Report has also been prepared by my office and is being circulated to you.

Our Government has also improved the national security environment at home. We have brought peace and security to the North-eastern region, to Jammu and Kashmir and to various troubled regions. We are talking to all sections of people outside the mainstream of political life with a view to bringing them around to a peaceful resolution of problems. We have done this without compromising our national interests. We will continue to fight all anti-national and disruptive forces. We will defeat terrorism. As I have said so often, the people of India have time and again shown that political power in our country flows only from the ballot box, and not from the barrel of a gun! I do recognize that naxalism is a problem in many parts of the country. While violence is to be condemned and will be faced boldly by our police forces, we will also address the root causes of this alienation – chronic poverty, illiteracy and landlessness.

Our Government has also taken important steps to make the world adopt a more friendly approach to us. We have been able to improve our relations with many of our neighbours, including our biggest neighbour, China. We are pursuing a composite dialogue with Pakistan with the understanding that in South Asia we have not just a shared past, but a shared future and a shared destiny. The development and well-being of all our neighbours is in our interests.

We have taken major initiatives to integrate our economy with that of East Asia, South-East Asia, South Asia and West Asia. The countries to our East have once again embraced us and invited us into a new Asian Community. I would regard this as an important and successful outcome of the "Look East Policy" first launched by the Congress Government in 1992. The recent landmark visit of His Majesty King Abdullah Bin Abdul Aziz Al-Saud of Saudi Arabia, the first time in fifty years, witnessed history being made. The Delhi Declaration jointly signed by His Majesty and myself opens a new chapter in our civilisational relationship.

We have also improved our relations with all major powers, especially the United States, European Union, Russia and Japan, with whom we have entered into new strategic partnerships. In the next few weeks I will be receiving the Presidents of France and the United States and I am looking forward to these visits. I believe India will benefit greatly from the many new initiatives our Government has taken in the field of foreign policy and national security.

Finally, I must draw attention to the fact that the economy is on the move. All our macro-economic indicators are robust and point to another year of over 7.0% growth. Our Government is committed to an inclusive growth process and to the reform of governance in all its dimensions. We are committed to unleashing the creative energy of our people and to making India an active participant in the global economy.

Thank you".

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Answering a number of questions on ties with the United States in the context of the civilian nuclear agreement and the Iran issue, he said India's stand would be based on an assessment of "what shall be in our national interest." India-U.S. relationship had not become hostage to the

July 2005 civilian nuclear agreement because it was “not a one-shot relationship.” India was now an “honoured dialogue partner” for the international community and this indicated the “winds of change” in its global standing.

On the nuclear front, he said: “We are seeking a new brave world order,” which would “cease to discriminate against” India.

Denying that there had been any deviation from his Government’s commitment to follow an independent foreign policy, Prime Minister Manmohan Singh said that he was committed to promoting India’s “enlightened national interest.” This would be done by strengthening relations with all parts of the world.

Asked what India’s stand would be at the February 2 meeting of the International Atomic Energy Agency, he said he still believed the Iran nuclear issue was “a matter that should be resolved through diplomacy and dialogue.” As a signatory to the Nuclear Non-proliferation Treaty, Iran “is entitled to all the rights that go with its membership and also has a responsibility to fulfil its obligations.”

Referring implicitly to the moves under way to refer Iran to the U.N. Security Council, the Prime Minister said that India would very much like to see the issue settled within the confines of the IAEA. “Efforts are on in Vienna to evolve a broad-based consensus. Let us hope these efforts succeed.”

On the Indo-U.S. agreement on civil nuclear cooperation, he denied New Delhi was under any pressure to reach an understanding with Washington on the separation of its nuclear facilities before President George W. Bush’s visit to India in early March. “There are no deadlines as such,” he said. “I’m not fixing a deadline. There are negotiations. What time they will take I cannot predict.” He did stress, however, that India’s emerging partnership with the United States covered a wide range of issues and was not a “one-shot relationship based only on nuclear cooperation.”

At the same time, India needed civilian nuclear cooperation and his Government was committed to working with the U.S. and the Nuclear Suppliers Group to ensure that the discrimination the country had been facing since 1974 — in terms of being denied access to nuclear infrastructure and fuel — was ended.

In response to a question, Dr. Singh denied that the Government was lacking a clear policy on Jammu and Kashmir in contrast to Pakistan President Pervez Musharraf's penchant for "out of the box" thinking. There were two aspects to the problem, one internal and the other external.

The internal aspect was to "create an environment where all people of the State feel a sense of belonging and participation." In this regard, he said he had held talks with those sections not satisfied with the status quo, such as the Hurriyat, Sajjad Lone and Yasin Malik. This process would continue.

As for the external aspect involving Pakistan, Dr. Singh said his Government was committed to finding "pragmatic, practical solutions" to all outstanding issues, including the problem of Pakistan. He stressed that he did not have a mandate to negotiate away any territory but subject to this, solutions could be found.

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004. Interview of Minister of State Anand Sharma to the Weekly *India Today* and TV Channel Headlines Today.

New Delhi, February 10, 2006.

RAJ CHENGAPPA (MANAGING EDITOR, INDIA TODAY): Welcome to the India Today interview.

MINISTER OF STATE FOR EXTERNAL AFFAIRS (SHRI ANAND SHARMA): Thank you.

RAJ CHENGAPPA: You are sitting on a hot seat now.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: It is a challenging assignment and an honour to serve the country.

RAJ CHENGAPPA: You have got a major Presidential visit coming up, of the United States President.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: We have President Chirac of France coming and then President Bush of the United States.

RAJ CHENGAPPA: We will talk about President Bush's visit first because there has been so much controversy over the nuclear deal. Do you think things would be ironed out before President Bush comes down?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: First of all, there is a lot of misunderstanding and ill-informed speculation about the nuclear deal. The July 18 agreement clearly defines the parameters as to what has to be done by the USA and what has to be done by India. What is integral is the reciprocity, which the Prime Minister had explained very clearly. So, certain steps that they are to take, the amendments of their laws that has to be done by the US Congress, and what has to be done at our end is also defined very clearly in the July 18 agreement. So, I do not know where the confusion is coming. We have seen newspaper reports of the last few days. Perhaps what has been overlooked is that there is a Joint Working Group headed by Foreign Secretary Shyam Saran on the Indian side and by Under Secretary Nicholas Burn on the US side. They are working out the modalities, the details. So, there should not be any confusion. That is why I said that it is due to lack of information that much speculation is going on.

SAURABH SHUKLA (ASSOCIATE EDITOR, INDIA TODAY): What about your Left allies? There are problems with them. They are protesting against the visit. They are saying that in a way the Government is tantamounting to selling out to the US. What about that?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: First of all we reject completely any insinuation that there is a sellout. It is a Congress-led UPA Government, inheritor of a very rich and proud legacy. Nobody can even remotely suggest that this Government can compromise with India's self-respect, India's interest - both national interest and strategic interest. There is no compromise whatsoever. I do not know why such insinuations have been made. This is most unfortunate. When it comes to the Left, we value their support to the coalition Government but there would be areas of disagreements, there would be areas where the perceptions differ. That is why we have a Coordination Committee. We sit together and we talk.

SAURABH SHUKLA: Do you think that this is embarrassing to the Government as a whole because the country's image is suffering, because there are a lot of commitments that you have made and you are not able to fulfill them because of pressure coming from your own allies?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: Whatever commitment Prime Minister Dr. Manmohan Singhji and the UPA

Government have made will be fulfilled. We are not backing away from the commitments. The commitments have been made after very careful consideration and keeping in view national interest and national honour.

RAJ CHENGAPPA: The crux is of course the nuclear deal. We have heard the Chairman of the Atomic Energy Commission talk about his concerns that some of the units, the fast breeder reactors are being pushed into the civilian side, that the goalposts are changing, as he calls it. Is that happening? Why do we have within the Government certain dissent or dissidence happening?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: An opinion has been expressed let me put it this way. First when the Joint Working Group is set up, that in itself is a statement that there are differences of perception. The US has one perception; India has its own perception. When the Joint Working Group meets they try to work towards a common meeting ground. It is a meeting of minds and a general agreement which would be within the framework of the July 18 agreement. Having said that let me also point out that the Joint Working Group headed by the Foreign Secretary also includes the Deputy National Security Advisor. There are two top nuclear scientists from the Atomic Energy Commission – Grover and Raghuraman. We also have the concerned Divisions come in including the UN Division. So, it is clear that the nuclear establishment's views are also taken on board and very seriously so. Whatever would be done would be without diluting in any manner India's own interest. The bottom line is that there shall not be any dilution or giving up of our right and also our nuclear deterrent.

RAJ CHENGAPPA: So, do you think an agreement could happen? You are confident of that?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: The two sides are talking and we are working towards that. We remain hopeful but this Government has not given any assurances or capping, which was done earlier by the previous Government. The NSA of the previous Government, Mr. Brajesh Mishra, has recently gone on record to say that they had agreed that two reactors which were already there including the BARC in Trombay and all future reactors, they were willing to put under the IAEA safeguards. This Government has not given any such commitments. We have not said that we will not develop future facilities or the fissile material. We have not said so. So, why is the criticism? Who has compromised India's interest? I am surprised. It was the vision of Pandit Jawaharlal Nehru and Dr. Homi

Bhabha, and later on what Shrimati Gandhi as Prime Minister did when we talk of Pokharan-I. So, the Government proudly claims that legacy of Nehru and Bhabha. How can that compromise ever be there?

SAURABH SHUKLA: Are you saying that it is NDA which went for a sellout? That is what you are trying to say.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I am not saying sellout. But they gave these commitments. These are not my words. Mr. Brajesh Mishra himself has gone on record. We were not aware, the country was not aware, at that time. The Parliament was never informed at that time what was done. But after the July 18 agreement, this Government has had substantive discussions both in Lok Sabha and Rajya Sabha. The Prime Minister of the country has answered to the debate. It would be in larger interest both for the political leadership of the parties, even those who have some reservations and their skeptics, to wait for the final agreement. It would be not proper and not fair to hurl charges and accusations of sellout and all, which are not there at all.

RAJ CHENGAPPA: Let us move to another area, this is as vital for India's foreign policy, which is Pakistan. After a flurry of peace measures, there suddenly seems to be a slow down. President Musharraf has been complaining that he has made these proposals and no one is answering from the Indian side. What is the position?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I think the Indian position has been very clear. We have always supported a dialogue with Pakistan and the Confidence Building Measures which were initiated to a large extent by India. As you would see, there was much criticism, again I will say motivated because of political considerations, that this Government is going soft. This Government has made certain gestures towards Pakistan. Pakistan has also agreed to some of the measures like we have a movement of the people. We have resumed the cultural exchanges. There is a Government-to-Government dialogue going on and there is a Track-II and Track-III which is going on. The Parliamentarians' visits are being exchanged. They are in touch with each other. There are various other forums, social forums. Writers and others, I will say, strategic thinkers were interacting with each other. When we talk of over five decades of distrust and conflict, it cannot disappear overnight. What is required is a focus and patience. Pakistan also has to take certain steps, especially with regard to dismantling the infrastructure of terrorist training and also cross border terrorism. This is one issue which we have repeatedly raised. The Prime

Minister and this Government have gone on record to say that there shall not be any compromise on that. That is where they also have to deliver. These are not hollow words. We have delivered on what we have said. If there is any specific area which President Musharraf has then I am sure those issues will come up when the leadership meets again, when the two delegations meet again.

SAURABH SHUKLA: There is a sense that our neighbourhood policy has not really worked well. We have had problems. Nepal policy has gone for a toss. The King promised democracy but nothing has happened. Bangladesh is a problem we have. With China the border talks have not gone on as well as we would have liked. What is really happening?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I think this is a misconception. India has tried its best. We must not forget that each neighbour is distinct. They are separate nation states. They have their own internal dynamics and problems also. In the case of Nepal the problem is more internal. It was a sad development that democracy was dispensed with and the Government had to step in to take over. So, India has been urging the restoration of democracy. We are engaging both the King and the Administration in a dialogue.

In the case of Pakistan the CBMs and the progress which we have made are there for anyone to see. India had initiated the process. We have the bus services on. The rail link is being restored. Khokrapar-Munabao rail service is going to start soon. When earthquake devastated Kashmir, especially there was more damage on Pakistan side, India was one of the first countries to respond not only by giving relief and all kind of support which was accepted by them, we also ordered five checkpoints on the border. We facilitated movement of the people across the LoC. The rest you can say that we only hope that the things will proceed in the right direction, Pakistan also what they have said, they will fulfill their part.

Bangladesh has been having some problems. You cannot link it to India. As far as India is concerned, we are committed to the principles of SAARC, to the overall economic development of the entire region. That is why certain proposals have been put forward and we hope that all the member countries of SAARC do respond to that. So, we cannot say that there is failure of our policy. If there is threat of fundamentalism in Bangladesh, or whatever has happened in Nepal whether the Maoists issue and the King's stepping in, you cannot say that Indian Government or the UPA Government is responsible and it is a failure of our policy.

SAURABH SHUKLA: What I am saying is, do you really need a change of policy?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I think we have a credible policy. When we talk of policies, you cannot anticipate every development in the other countries. So, you have to respond accordingly and the responses have been appropriate and correct.

RAJ CHENGAPPA: Let us stay with Pakistan for a while. Here is President Musharraf saying that he has sent proposals on Kashmir and there has been no response. It is a bit like 'apply-apply and no reply' from India.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I do not know what proposals they are making.

RAJ CHENGAPPA: Especially on Kashmir. He has talked of self-governance in certain regions.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: We do have it.

RAJ CHENGAPPA: He says there is no official response from India.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: We have self-governance there in the sense that we have a Constitution, we have a duly elected popular Government there. When we talk of Kashmir, we wish that there is a duly elected popular Government in the Pakistan-occupied Kashmir also. He has to do something in Kashmir which is with them. Nobody can deny, whether in Pakistan or internationally, that we did not have fair elections and we do not have a representative Government. So, we do have it.

SAURABH SHUKLA: With China the border talks are scheduled maybe next month. Tell me why is that there is so little progress? We have not gone on to the brass tacks yet.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: It is a huge border. When we talk of this dispute from 1965 to now, it is 45 years. After Prime Minister Rajiv Gandhi's visit the new chapter has started. The Chinese premier also visited India. The Working Group is there and they are talking, and progress is there. There has been much progress made already. I think that this is being overlooked. When we talk of Sikkim, the acceptance and the forward movement in other areas you know that there is ...

RAJ CHENGAPPA: President Kalam has sort of recently said that the wounds of the 1962 war have healed. Much of the world of course

continues to look at it as India versus China rather than India and China. Do you think we are rivals?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I do not think that we are rivals. We value our relationship with China. There is a history of our relationship. But China is a close neighbour, the biggest neighbour. China is developing at a very fast pace: so is India. The world is talking of both India and China. There was a time when the world was talking only of China. Now they are talking of both the countries. We are also growing at a very fast pace. There would be areas of synergy and there would be areas of competition also which is perfectly legitimate. That would happen in any two major countries of the region. But when we talk of competition, that anyway does not mean conflict. You have Indian companies going into China, investing in China in a big way. There is two-way trade which is growing very rapidly.

SAURABH SHUKLA: What about the UN Security Council? Let us talk about that. There was a sense six months back that we are nearly getting there. But now Japan, the major ally of yours in G-4, has deserted you. What is the sense that you have. Do you think we will ever get there in the Security Council or not?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: We are determined to get there. It is a rightful claim of India. The UN Security Council, as constituted at present, is not representative of the global reality. It has inadequate representation of Asia. There is no representation of Latin America and Africa. So, it has to be expanded. We were right in moving a G-4 resolution. Brazil is a big country in Latin America which is with us. Germany has been with India and so was Japan. There has been some change in the situation but we are so far continuing with our move and that Resolution. Let us see, let us hope that there is a better realization and greater measure of support. But no country, even the P-5, is denying India's legitimate claim. Let us see when we get there and how we get there

SAURABH SHUKLA: Not everybody is supporting.

MINISTER OF STATE FOR EXTERNAL AFFAIRS: You cannot expect unanimity. There would be countries which will have reservation. Sometimes these are regional considerations which would happen. For no country I think there has been unanimity.

RAJ CHENGAPPA: The key is American support. President Bush

is coming here. They made no commitment last time when Prime Minister Manmohan Singh visited the US. Are you going to push for it this time?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I do not think it is a question of pushing. We have made our position very clear. The Prime Minister in his address to the US Congress also made it very clear. Whatever contours are defined, or you can say the factors, for inclusion of a country in the UN Security Council - India is a large country, the largest democracy, it is a growing economic power, it has an impeccable record when it comes to its adherence to all the international treaties and covenants, and its own contribution to the UN and the UN peacekeeping - whatever criteria is defined, India will walk in, I have no doubt. But we cannot set a timeframe to it.

SAURABH SHUKLA: Let me take you back to the domestic issues. This Iran issue created such a lot of controversy. The US Ambassador made certain remarks. Obviously your allies made certain statements. Do you think that some of your allies are actually using to push their own domestic agenda or their own domestic politics to influence your own foreign policy?

MINISTER OF STATE FOR EXTERNAL AFFAIRS: I think domestic agendas must not influence foreign policies as well as those decisions which are well considered, well thought of. When the Government of India, this Government, takes a position, each issue is judged on merit. It is an independent decision. Let us not forget that the P-5 had also concurred for reporting. India had earlier also meaningfully engaged the EU-3 and Russia. This time also. Last time we succeeded, we and the EU-3 and all of us put together, to ensure that the matter remained within the domain of the IAEA. Now there are certain new developments which have taken place since then. Let us see what happens, what follow-up action is taken until March. India cannot take a view in isolation when we are saying that we have a larger global role. You are just referring to the Security Council permanent membership. India has to accordingly see what is happening, any country for that matter. When we are talking of certain rights under international treaties, then there are certain international obligations, and commitments also which have to be borne in mind. So, India's stand has been consistent and clear on these issues. We did not sign the NPT. That was a principled decision which we took. Now we are living in different times and a different world.

RAJ CHENGAPPA: Thank you.

005. Address by Minister of State Anand Sharma at the inauguration of the Second Asia Pacific Model UN Conference.

New Delhi, February 10, 2006.

Shri I.K. Gujral, Former Prime Minister of India, Shri Subodh Kant Sahay, Minister of Food Processing & Industries, Shri Ram Niwas Mirdha, Chairman, Indian Federation of United Nations Associations, Mr Kim Hak-Su, Executive Secretary of ESCAP, Mr Gregory Kovirzhenko, Chairman, World Federation of United Nations Associations, Ms. Shalini Dewan, Director, UN Information Centre, Members of IFUNA, Distinguished Delegates and Invitees,

It gives me great pleasure to attend the Inaugural Session of the Second Asia Pacific Model UN Conference in New Delhi. This large participation of national UN associations is an eloquent testimony to our collective faith in the ability of the UN system to address the challenges and meet the objectives of our global community. As a founding member of the UN and a firm believer in its Purposes and Principles, India has contributed significantly to the furtherance and implementation of the UN's noble ideals, which run parallel to our civilizational ethos.

At the outset of a new millennium, we envisage not only new and varied challenges but also opportunities for the global community. Political, economic, social, environmental and demographic challenges are impinging on intra-state as indeed inter-state affairs. The complexity and the intensity of these issues dawn on us the realization for greater interdependence of peoples and nations requiring collective actions. Thus the need and relevance of the UN today is greater, not lesser, even though many question the effectiveness of multilateralism today for influencing policies.

Mr. Chairman,

I am happy to note that the theme of this Conference are the Millennium Development Goals, which were adopted at the Millennium Summit of our Heads of State and Government in a collective pledge to ensure a better future for mankind. There is optimism and hope that enhanced economic and technological growth will enable a frontal attack on global poverty, ignorance and disease and that benefits would percolate to the common man. However, six years after the Millennium Declaration, we are still far from registering significant progress and need to redouble

our efforts to achieve the goals and targets that we had set for ourselves in the coming decade.

Mr. Chairman,

The 2005 World Summit recognised the need for continued efforts in a global compact for the realisation of the Millennium Development Goals. In particular, the World Summit stressed the development dimensions of the Doha round of trade negotiations as well as raising investment and savings rates through meeting the ODA target and using innovative sources of financing. We need to strengthen the momentum generated by the Summit towards promoting international cooperation for development and positioning the discourse on development at the center of the global economic agenda.

Mr. Chairman,

The developing countries constitute the vast majority of the UN membership. It is important for them that the UN helps them resolve their development problems as they deem appropriate, including by addressing the systemic issues that are at the root of numerous problems they face. Presently, much of the discussions at the UN are primarily confined to addressing governance issues at the national level. The main economic issues of concern to developing countries such as financial flows, the multilateral trading system, external indebtedness, etc. are no longer debated and agreed upon within the United Nations, as used to be the case earlier. This needs to be urgently rectified.

Mr. Chairman,

The World Summit underscored the importance of bringing back global economic issues on the agenda of the United Nations to assess and promote a long-term policy framework and provide political direction on international economic issues. The UN must play an important role in promoting coherence among financial, monetary and trade policies, transfer of resources and of technologies, etc. The importance of “enhancing the voice and participation” of developing countries in the decision making processes in global trade, financial and monetary institutions can hardly be overstated. The ECOSOC needs to be strengthened and be made more effective in order to identify and make policy recommendations that ensure that policies are supportive of development and that multilateral institutions do not work at cross purposes.

Mr. Chairman,

The follow-up of the World Summit must ensure that the fundamental objective of rapid economic growth of the developing countries, enabling them to reach the MDG targets, reduce poverty and increase employment, is kept in view. Monitoring the progress made in the implementation of MDG-8 by developed countries has to be an integral part of the monitoring of MDGs as a whole. At present, the UN is largely engaged in discussing internal economic and social issues while placing much emphasis on provision of technical assistance. We would welcome, through the UN system, the mobilisation of greater resources for development and the emergence of a coalition that would take initiatives in areas of interest to developing countries.

Mr. Chairman,

India is home to every sixth person in the world. We are acutely aware of our responsibility to meet the Millennium Development Goals (MDGs), as our contribution to attaining global benchmarks. We have made considerable progress in poverty reduction and are making determined efforts to achieve the targets we have set for ourselves in the social sectors. The National Common Minimum Programme of our Government has laid particular emphasis on health, education, shelter, infrastructure and employment, especially in the rural areas. We have launched “Bharat Nirman”, a programme of unprecedented magnitude, for developing infrastructure in rural India. We aim to provide connectivity for all of India’s six hundred thousand villages through roads, electricity and telecommunication. The Tenth Five Year development Plan, which is currently under implementation, provides for sustained access of potable water for all villages in India. The next Plan will complete the target of providing shelter for all. We have equally ambitious programmes for universal elementary education and improvement of health in rural areas. To ensure a minimum level of employment for everyone in rural areas, we have prepared the National Rural Employment Guarantee Act, which we hope will transform rural India.

Mr. Chairman,

Our experience in India and elsewhere has shown that democracy and development are complementary and mutually reinforcing. The principles of democracy and the rule of law are equally relevant for ensuring economic progress and human development, which contribute to the consolidation of peace. Our abiding commitment to democracy is amply

reflected in our support to the UN Democracy Fund, which was set up at the last UNGA. We hope the UN Democracy Fund will help nations to build and strengthen democratic institutions and practices to realize the fruits of globalization for the betterment of their people.

We believe that the management of global interdependence also requires strong international institutions and a rule-based multilateral system. Nations' faith in the UN system will be strengthened when it reflects their aspirations and acts to address their concerns. This brings to centre-stage the reform of the UN and the need to tackle the democracy deficit in its structure and decision making process.

Mr. Chairman,

As we mark the 60th Anniversary of the UN, there is a unique opportunity for its comprehensive reform and to strengthen multilateralism with the UN at its centre. It is important that the United Nations is reflective of contemporary global realities and is equipped to respond effectively to the needs, requirements and concerns of the developing countries, which constitute the vast majority of its membership. In this context, the reform and expansion of the Security Council and inclusion of developing countries as permanent members in an expanded Council can no longer be postponed.

Mr. Chairman,

Several threats and challenges face us today. Some are self evident, such as terrorism, conflict and the threat of a link between terrorism and proliferation of weapons of mass destruction. Poverty, hunger, disease and deprivation, are still pervasive in large parts of the world. We need to carefully consider systemic ways and means to address each of these, while being mindful that failure to address the challenges of underdevelopment effectively could exacerbate all other threats. In the age of globalisation, we must ensure that its benefits permeate the globe and that the most vulnerable and those in the greatest need do not face any adverse consequences. More-so we also need to bridge the digital divide as also the gap between the rich and poor countries which is growing though the net reverse flow of wealth from the South to the North despite pledges from developed states of greater aid to developing countries.

Mr. Chairman,

Six years ago, the adoption of the Millennium Declaration affirmed our united readiness to confront and overcome the challenges of the 21st

Century. We have achieved some progress, but much remains to be done. It is time for us to renew our commitment to MDGs and collectively translate them into reality with a greater sense of urgency. We owe this to future generations.

Mr. Chairman,

Today's world is an interdependent one in which no nation can prosper in isolation. An international environment supportive to our collective needs and security is an imperative. We must, therefore, strive for a reinvigorated UN for the common benefit of all of us.

I wish all the participants a fulfilling and enriching experience in India and the Conference much success. Thank you.

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006. Welcome Speech by Minister of State Anand Sharma at the Foundation Stone laying ceremony of Jawaharlal Nehru Bhavan to house the Ministry of External Affairs.

New Delhi, February 14, 2006.

1. It is a great honour and privilege for me to welcome you all at the Foundation Stone laying ceremony of Jawaharlal Nehru Bhavan that will serve as the headquarters of the Ministry of External Affairs. I would like to express, in particular, my gratitude to the Hon'ble Prime Minister for his having very kindly agreed to lay the Foundation Stone of this building.
2. This occasion is a very special one for all of us in the Ministry of External Affairs for a variety of reasons. It signifies the fulfillment of the long felt need to have an independent building for the Ministry of External Affairs that would suit its growing functional requirements. I understand that this has been a long cherished dream of each and everyone in the Ministry. It gives me great happiness to note that this dream is being realized at a time when this Ministry is fortunate and blessed to have Hon'ble Prime Minister himself at the helm of external affairs.
3. The construction of Jawaharlal Nehru Bhavan is being taken up at a juncture when India is acquiring an ever growing profile in a fast evolving international scenario. These developments have opened up new opportunities and generated new challenges for our diplomacy. We have seized these opportunities and faced the new challenges admirably well because of the robust foundations of our Foreign Policy. We owe an eternal debt of gratitude to the builder of modern India, Pandit Jawaharlal Nehru, for the sound principles enunciated by him that have underpinned the conduct of our foreign relations since our independence. Nehru has left his lasting imprint on every walk of life in India and much of the progress we see today owes its origins to the visionary steps taken by him. However, the range of his vision and actions went far beyond the shores of India and he would always be remembered as one of the great world statesmen. He made an unparalleled contribution to the shaping of the post Colonial era world order. He was quick to recognize the dangers of cold war politics and gave a lead to the newly independent countries in steering clear of it. In the euphoria of India's growing

stature, let us not forget that it was Jawaharlal Nehru who gave India an independent voice and its due place in the international domain. He strove tirelessly to promote world peace and freedom for subjugated peoples around the globe. At a time when India is winning accolades as the largest democracy of the world, let us recall Nehru's singular contribution to the nurturing of democratic institutions. As you are all aware, Jawaharlal Nehru not only laid the foundation of India's foreign policy but also personally guided it for a number of years after independence. His guiding principles have remained the corner stone of our Foreign Policy regardless of the complexion of the Government in power.

4. The naming of this building after Jawaharlal Nehru is but a humble tribute to his remarkable contribution in the shaping of modern India and in the service of humanity at large.
5. Jawaharlal Nehru Bhavan will be a functional and state-of-the-art building which would bring together the various units of the Ministry of External Affairs that are currently located in different premises. It will be in perfect structural harmony with its environs and will match the grandeur of the National Museum, the National Archives and the Indira Gandhi National Centre for Arts located in its vicinity. It will contain all the essential features of a modern Foreign Office such as three distinct zones for Ministers and senior officials, offices of various Divisions and public dealing areas as well as elegant meeting rooms, a press briefing hall, a reception hall and library capable of holding around 50,000 books. We would like it to be a fitting window of modern India to the world. I am grateful to the Ministry of Urban Development, the CPWD and other concerned agencies that are helping us in the building of Jawaharlal Nehru Bhavan.
6. Even as my colleagues and I in the Ministry of External Affairs rejoice this important milestone in the life of the Ministry, we rededicate ourselves to the ideals and policies of Jawaharlal Nehru. We also pledge to continue working resolutely in the service of the nation under the able guidance of Hon'ble Prime Minister.

007. Speech by Prime Minister Dr. Manmohan Singh at the Foundation Stone laying ceremony of Jawaharlal Nehru Bhavan to house the Ministry of External Affairs.

New Delhi, February 14, 2006.

Ladies and Gentlemen, I am indeed deeply honoured to be associated with this ceremony to lay the foundation stone of Jawaharlal Nehru Bhavan. This building, I believe, will become another great landmark in these historic and beautiful environs. It is befitting and natural that we name the building that will house our foreign office after Pandit Jawaharlal Nehru. With his immense pride in India's great heritage and abiding faith in our country's capacity to march forth to a bright future, Panditji came to symbolize the hopes and aspirations of a free India in a brave new world. He was truly the architect of modern India and laid the foundation of a democratic, secular and pluralistic polity. The institutional and policy foundations laid by him have come to underpin India's rapid ascent on the global political and economic scene.

Panditji dreamed big for India and worked tirelessly to realize those dreams. His leadership of India and his boundless love for India and its people, however, did not confine him within the frontiers of our country. His gigantic personality and the breadth of his vision had a far bigger canvas. He was the architect of free India's Foreign Policy. Within six days of his taking the reins of the Interim Government in September 1946, he pledged, in the course of a radio broadcast, that India would work for one world in which there was free cooperation of free peoples and no class or group exploited another.

Addressing the Constituent Assembly on the night of August 14, 1947, when his thoughts were focused predominantly on India and her future, Panditji's commitment to humanity at large came out clearly when he said that his dreams are not just "for India, but they are also for the world. All the nations and peoples are too closely knit together today for any one of them to imagine that it can live apart". He went on to add, "Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated fragments." This thought encapsulates movingly, the impulse that drives our work. No better vision for the world has been conceived till today.

Panditji's great quality was that his idealism and vision were rooted in the hard, and often harsh, reality of an unequal world. He recognized that a newly democratic India must take difficult decisions to regain its glory and to ensure the well-being and prosperity of our people. He told the Constituent Assembly in December 1947, and I quote, "Talking about foreign policies, the House must remember that these are not just empty struggles on a chess board. Behind them lie all manner of things. Ultimately, foreign policy is the outcome of economic policy."

Along with all the great leaders of our freedom struggle Panditji also saw an intrinsic link between our foreign policy and the economic aspirations of our people. A free India had to also be a prosperous India. This vision has informed our foreign policy and must continue to do so. Every democratically elected Government has to be mindful of the well-being of its people. The foreign policy we pursue abroad must reflect our national priorities and concerns. There cannot be a disconnect between domestic capabilities, national aspirations and our external policies. Our foreign policy must help create an international environment conducive to India's rapid social and economic development.

Our civilisation has had a message for the world that informs our foreign policy vision. That has been a message of unity in diversity, of pluralism, of inclusiveness and secularism. The idea of "Vasudhaiva Kutumbakam" - The Whole World is One Family. A policy that combines these universal values with national interest is what Panditji visualized and shaped. For it was our national interest to seek space in the world to facilitate our development.

But our nationalism was not based on narrow chauvinism or aggressive jingoism. At the time of our Independence, the world had just rid itself of one manifestation of such negative nationalism when it defeated fascism. Our nationalism was elevated by larger universal principles as well as an abiding commitment to the well-being of our people. That is precisely why it was an enlightened nationalism.

Similarly, Panditji's idea of "non-alignment" was also based on the principle that we were not aligned with anyone against anyone, but only with our values and national interest. Non-alignment was neither an empty slogan nor a pretext to shirk the responsibility to define our own world-view based on national interest. Indeed, non-alignment was an expression of our enlightened national interest and continues to be so even today.

We have worked hard to create the space needed to have the freedom to make policy choices in an increasingly inter-dependent world that we live in. The means we adopt to pursue our enduring objectives of peace, national security and development will, of course, change from time to time. They will have to be evolved in response to the changing realities of an ever-changing world. While the instruments of our policy and the tactics and strategy we adopt may change with time, the values in which they are embedded are universal and remain true for all time.

Our diplomats are called upon to steer the course of India's foreign relations in an extremely complex global scenario. In recent years, we have witnessed a much sharper consonance between our foreign and domestic policies. The Indian economy has taken on an outward orientation as a result of the reform policies that were initiated in the early 90s. Our growth rates have been increasing and we seek to sustain annual growth rates of between 8 -10 per cent in the future. These demands have created new challenges for our foreign policy in terms of seeking access to markets, sources of energy and investment and advanced technologies. These challenges have also led India towards new thrusts in our foreign policy and there are new directions in our policies towards our major economic partners, towards our wider Asian neighbourhood and towards other developing countries.

We face a turbulent neighbourhood. It is our foremost challenge to create a stable and cooperative atmosphere in our region that will allow us to concentrate our energies on tackling the problems at home and in our region. Peace, prosperity and stability in South Asia is a top priority concern of our external policies. The destiny of all countries of the region is closely interlinked.

I do believe that the External Affairs Ministry has risen to the occasion to face many challenges and seize new opportunities. I compliment our diplomats for their good work and urge them to show creativity and enterprise in dealing with a rapidly changing world. We must, however, invest more in our capabilities and in our institutions to sharpen the edge of our diplomacy. In the fast evolving international arena of today, introspection and adaptation has to be a continuous process. The business of diplomacy increasingly requires engagement with the diplomacy of business. Given India's rising demand for energy, the uncertainty of supply of hydro-carbons and concerns about global warming, issues relating to energy security have important implications for the conduct of our foreign policy.

Equally important is the need for more representative and effective international institutions that reflect contemporary realities, in view of the growing interdependence of all nations. At the same time, the turbulence that now characterizes much of the Islamic world also merits deeper analysis. This also applies to the rise of China as a major global power. There is much that we can learn from China's most impressive economic development. We have to grasp the implications of the knowledge revolution through which science and technology have emerged as major determinants of the power and wealth of nations. Our diplomats must have a deep understanding of the factors which contribute to the rise and fall of nations and of civilizations. I have no doubt that each and everyone in the Ministry is alive to these issues.

I am glad that the Jawaharlal Nehru Bhavan will be a modern, state-of-the-art building and one in complete harmony with its environment. I am certain that the modern facilities being incorporated in this building will be of tremendous assistance to the Ministry of External Affairs in the discharge of its onerous responsibilities. I hope that the C.P.W.D., which is executing this project, will prove its 150 years of engineering excellence by completing the building in time and fully in keeping with the needs of a modern Foreign Office.

Thank you and let me felicitate you all on finding a home of your own.

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008. Speech by Prime Minister Dr. Manmohan Singh releasing the first issue of the Indian Foreign Affairs Journal of the Association of Indian Diplomats.

New Delhi, February 15, 2006.

I am delighted to release the first copy of the Indian Foreign Affairs Journal. I compliment the Association of Indian Diplomats for this initiative. I sincerely hope that your journal will be an important platform for free and informed discussion on foreign policy and international affairs.

I have always believed that one of our greatest civilizational strengths is that public policy is shaped by a broad consensus, based on a rich and healthy tradition of open debate and public discussion. This has lent a measure of democratic predictability and resilience to our policies. I recall, for example, that the reorientation of our economy in 1991 came after an informed debate of nearly a decade on our economic policy. Such public discussion prepared the domestic ground for the transition that followed. It was as a result of this broad based consensus that there has been continuity in our economic policy since 1991, despite many changes in Government. Such has also been the case with our foreign policy.

In this context, it is instructive to recall that even before independence, our political and intellectual leaders extensively debated the contours of the foreign policy of an independent India. As I said yesterday, Panditji elaborated his vision of foreign policy within hours after he took charge as the head of the Interim Government. He could do so not only because of his own well-considered views on the matter, but also because he knew his views reflected a consensus within the Congress Party and the nation.

I do not suggest that such a consensus has precluded differences of opinion on foreign policy within our society. Over the past five decades of independence, there have been divergences and debates on many elements of our foreign policy. Within Parliament and outside, among commentators and our press, the burning issues of the day have always been debated and contested hotly. However, what has remained constant has been a basic understanding across the political spectrum on core elements of our foreign policy. This has contributed to building a broad mainstream consensus on vital issues of the day, on matters pertaining to our region and beyond. This has helped our leadership take positions based consistently on our national interest and in line with public opinion.

Consequently, the philosophy of “non-alignment” was based on the principle that we were aligned only with our values and our enlightened national interests; we were not aligned with anyone, or against anyone. The underlying philosophy was that issues would be judged on merits rather than in a mechanical or deterministic manner. Non-alignment was therefore always an expression of our enlightened national interest and I dare say, will remain so.

Ladies and Gentlemen,

Over the past five decades and more, we have strived to create the necessary space to exercise our freedom to make policy choices in an increasingly interdependent world. The means we adopt to pursue our enduring objectives of peace, national security and economic development will of course change from time to time. They must evolve in response to the changing realities of an ever changing world. While the instruments of policy and the tactics and strategy we adopt may change with time, the values in which they are embedded are universal and will remain true for all time.

In this context, let me once again recall Panditji’s famous statement that international relations are not merely a game of chess. Speaking in December 1947 in the Constituent Assembly, Panditji said, “Talking about foreign policies, the House must remember that these are not just empty struggles on a chess board. Behind them lie all manner of things. Ultimately, foreign policy is the outcome of economic policy.”

Thus the bottom line for our nation and our people is and will remain, addressing the challenge of development. We seek higher economic growth; growth that is equitable and efficient. We seek new opportunities, new employment and new markets. We seek new skills and technologies. As we strive to realize our due place in the comity of Nations, any policy must stand the test of one simple question : how will it affect our quest for development and our need to provide a secure environment for government to deliver to our people. For this, it goes without saying that the realization of our goal lies in widening, deepening and expanding our interaction with all our economic partners, with all our neighbours, with all Major Powers. As a confident nation, we will interact with the world as a confident equal partner, seeking mutuality of benefit for all.

I therefore suggest that yours is a forum that can be used to reinforce this sense of self confidence among opinion makers in our society. True

confidence comes from wisdom, while ignorance and limited knowledge make us tentative or foolhardy. As Tennyson said, knowledge comes, but wisdom lingers. As a means of spreading wisdom, your journal can play an important role by promoting a responsible, informed and intelligent debate on the issues confronting our nation and our world today. This is the need of the hour.

Therefore, let me once again welcome the publication of this new journal. In conclusion, I urge you to open your pages to young and energetic minds. Yours is an association of the best minds of our foreign policy establishment. You have a wealth of experience and the wisdom of age on your side. You can offer a perspective to younger scholars. You should encourage them to think out of the box, to find new and alternate approaches to chart a pathway to the future. While we must be guided by the experiences of the past, we need not be constrained by it. We must have an informed view of future possibilities and have the wisdom to prepare for all eventualities. In this noble effort, yours must be a prominent voice of alternate views, moderation and sobriety.

I wish you success in all your endeavours.

Thank you.

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009. Reply by Prime Minister Dr. Manmohan Singh to the debate on Motion of Thanks to the President for his address to the Parliament.

New Delhi, February 23, 2006.

Mr. Deputy-Speaker, Sir, there has been considerable comment in the debate in this House on our foreign policy orientation. I have had several opportunities in the last one year to speak at length on many of these issues. I urge hon. Members to appreciate the fact that by and large we have had a national consensus on our foreign policy orientation, and that has given us great strength in dealing with the world. I sincerely urge all our political parties to respect this tradition, so that the hands of the Government are strengthened in dealing with the world. ... (Interruptions)

Sir, I have had the opportunity recently of articulating my vision of foreign policy, when I laid the foundation stone of the Jawaharlal Nehru Bhawan. Panditji's vision of India was deeply embedded in our civilisational inheritance. Our civilisation has a message for the world that informs our foreign policy vision, and it has been a message of unity in diversity of pluralism, inclusiveness, and secularism. ... (Interruptions)

Sir, we have worked hard to create the space needed to have the freedom to make policy choices in an increasingly inter-dependent world. The means we adopt to pursue our enduring objectives of peace, national security and development will, of course, change from time to time. They will have to be evolved in response to the changing reality of an ever-changing world. While the instruments of our policy, and the tactics and strategy we adopt may change with time, the values in which they are embedded are universal and will remain true for all time.

Sir, this House has my solemn assurance that in pursuing our foreign policy; in ensuring our national security; and in promoting our economic development, our Government will always have the nation's interest uppermost in our mind. I do believe we have the trust and confidence of the people of India.

The world today views India with great regard and respect. This is because the people of our country have demonstrated to the world that they are second to none. Our civilisational inheritance, our pluralism, our culture of tolerance and inclusiveness are the envy of many nations. No Indian need feel any sense of inferiority or insecurity in today's world. India

stands tall and we stand proud as an open society and an open economy. I am sure hon. Members rejoice in this sense of self-confidence of our people.... (Interruptions)

This sense of national pride was reinvigorated during the recent visits of His Majesty the King of Saudi Arabia and the President of France when they both paid tribute to our civilisational inheritance and our emerging economic strength. It is with this sense of self-confidence that we now look forward to the visit of the President of the United States.

Mr. Deputy-Speaker, Sir, I would like to assure the House once again that I will take a closer look at all the suggestions made during the debate and ensure that our Government is alive to the concerns of Parliament. I thank all hon. Members who participated in the debate.... (Interruptions)

I would like this Motion of Thanks on the President's Address to be passed unanimously.

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010. Interview of Minister of State Anand Sharma with the *Financial Mail* of South Africa.

April 7, 2006.

[India's minister of state for external affairs and spokesman for the ruling Congress Party, Anand Sharma, visited SA last week en route to Brazil for a meeting of the India, Brazil, SA (IBSA) forum. Amarnath Singh spoke to him.]

Have trade and investment between SA and India lived up to expectations?

When India broke off all ties with apartheid SA in 1947, 5% of our exports went to SA and 1% of our imports came from here. Over the past year, the growth of trade both ways has been spectacular, rising by almost 75% to R15bn. I believe this surge can be sustained as both our economies grow rapidly. Some of the largest companies in India have established themselves here. I am pleased that SA companies are exploring the Indian market; they will be welcome there.

How do the two governments intend to grow their relationship and improve business conditions?

The political relationship is as strong as it has ever been. We are committed to the strategic partnership which President Mbeki has set out to forge. SA and India work closely together. The climate for trade and investment is attractive in both countries.

What concrete outcomes do you hope to see from the Ibsa initiative, and when?

Ibsa has taken off and reached cruising altitude faster than many expected. It started off as a dialogue forum, where three rapidly growing democracies could learn from each other while showing the world that democracy and development went hand in hand. We were an important caucus in critical international negotiations. We have also broadened the scope of Ibsa with programmes of co-operation in several sectors. Here, it will take time to get concrete outcomes. For instance, Ibsa scientists are working together on a number of cutting-edge technologies. We have a trilateral civil aviation agreement, and are working towards an Ibsa preferential trade area. These are catalysts that will make closer co-operation feasible.

Is India losing out to China in trade and influence in Africa?

Our trade is in fact growing briskly. We do not see ourselves as competing with China or with anyone else for influence in Africa. Our friends in Africa know that Africa has always been a priority in our foreign policy. Africa has pride of place in our technical co-operation programme; we have trained tens of thousands of Africans. We have committed US\$200m to Nepad and \$500m to a group of eight West African countries, above what we give bilaterally. From Katanga onwards, India has sent its armed forces to every UN peacekeeping operation in Africa. And, finally, we think that it is only through democracy that you can have development with social justice. We hear from our interlocutors in Africa that this gives them a powerful example to cite when voices are heard that more authoritarian forms of governance lead to quicker development.

Does India share concerns over Iran's nuclear programme?

Iran is a signatory to the nonproliferation treaty (NPT), as India is not, and countries that have signed the NPT as non-nuclear weapon states have voluntarily agreed not to acquire or develop nuclear weapons. Any country that has acceded to a treaty must abide by its terms. We believe this matter should be brought to a quick resolution without the use of coercive measures, but, as a close friend, we also urge Iran to co-operate with the International Atomic Energy Agency (IAEA).

Will India accede to a separation of its civilian and military nuclear programmes?

Under the terms of our agreement with the US, we already have and our plan is in the public domain. The choice of what is civilian and what is military is one that India has made. We have designated 65% of our reactors as civilian, and will put them in perpetuity under safeguards that will be negotiated with the IAEA. In return, we expect that members of the Nuclear Suppliers Group will provide India with the technology, equipment and nuclear fuel to urgently meet our energy needs. Our need for energy is rising fast as our economy grows at over 8%. Present estimates are that we will need to add about 10 000 MW of extra power each year for the next 10 years. If we relied primarily on fossil fuels for this, the impact on the environment would be huge. Nuclear power offers us a clean alternative.

Does India intend to sign the NPT?

No. The NPT accepts five countries as nuclear weapon states. India is not among them, but we are a nuclear weapon state. For us to accede to the NPT under its terms would be as odd as our joining the Law of the Sea as a land-locked country. We cannot pretend to be what we are not. But, even without signing the NPT, India does not proliferate.

Will India's closer ties with the US affect its relations with Pakistan?

We do not see the one having an impact on the other. Our composite dialogue with Pakistan continues, trade is growing, as is contact - and cricket - between our people. These are happy developments and we will build on them. But this is predicated on a climate of peace; we have told Pakistan that we are prepared to negotiate on all issues with them, but the use of violence or terrorism as an instrument of policy must be renounced. The US and indeed all other countries agree with us on this.

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011. Address by Minister of State E. Ahamed to the All India Annual Conference for Haj 2006-II.

New Delhi, May 20, 2006.

H.E. The Ambassador of Saudi Arabia, Chairman and Members of Haj Committee of India, Hon'ble Members of Parliament, Chairmen and Members of the State Haj Committees, Distinguished Religious Scholars, Members of the Media, Brothers & Sisters,

I consider it my great privilege to welcome you all to the All India Annual Conference for Haj 2006-II. I am proud to be associated with Haj arrangements of the Indian pilgrims for over a decade including in the last two years as Minister of State for External Affairs, in-charge for Haj matters. It is a matter of added satisfaction that today's All India Annual Haj Conference is taking place well in time and would provide useful guidance for Haj 2006-II.

The Annual Haj Conference is indeed an institutionalized platform for all stakeholders in Haj such as the political leadership, the Haj Committees, the Government departments, the Airlines representatives, Parliamentarians and learned men of religion to air their views through transparent discussions, exchange opinions and brainstorm on the Haj arrangements. The inputs and the insights provided by the Haj Conferences held in the past have enabled the Government to streamline the official framework entrusted with the Haj management and improve it in a systematic manner through administrative and legislative measures. Our Haj arrangements are acknowledged as one of the best in the world and appreciated by the Saudi authorities. Government is always sensitive to the needs of the Hajis and will continue to streamline and improve the arrangements further. The Government and the Haj Committee of India continuously strive to improve the accommodation arrangements for pilgrims in Saudi Arabia, their air transport to and from India and services and other facilities for them to make their pilgrimage comfortable and successful.

With this aim in view, a composite delegation of senior officials from the Ministry of External Affairs, the Ministry of Civil Aviation and Air India alongwith the Chairman and Members of Haj Committee of India, had visited Saudi Arabia on April 9-10 this year and had held extensive discussions with Saudi Arabian authorities and Saudi Arabian Airlines about various issues concerning our pilgrims. The delegation reviewed arrangements made during Haj 2006 and discussed plans for Haj 2006-II. This included

means to find better accommodations at affordable costs in Saudi Arabia for the pilgrims during Haj 2006-II. After detailed discussions and keeping in view the fact that Saudi authorities have enhanced space norm per pilgrim from 3 meters to 3.5 meters since Haj 2006, and, as several buildings in Makka region have been demolished resulting in shortage of accommodations, parameters and rates were finalized, with some increase in categories I and II. No increase in rates has been stipulated in Category III and Azizia categories. A new category in "Sheesha" has been identified at the same rates as category III earlier.

As welfare and well-being of Haj pilgrims has always been a matter of utmost concern to the Government, I would urge the Haj Committee of India, the State Haj Committees, our Missions in Saudi Arabia and all concerned with Haj affairs to give high priority for the orientation of the prospective Haj pilgrims so that their pilgrimage is both proper and satisfying. The Government would continue to deploy administrative, para-medical and medical personnel to look after and assist the Indian pilgrims during their stay in Saudi Arabia. The deputationists will be chosen carefully to give representation to various regional and linguistic backgrounds. During Haj 2006, 182 Khadimmul Hujjaj were deputed as against 70 during Haj 2005. Various State Governments will be deputing Khadimul Hujjaj to provide additional support during Haj 2006-II also. During Haj 2006, State Haj Committees were allowed to depute one Khadim-ul-Hujjaj for every 300 pilgrims instead of 500 as in the past. I would request all States to kindly send the requisite numbers this year to Saudi Arabia. In addition, the Consulate General of India in Jeddah will be arranging the services of local volunteers from the Indian community to assist and help our pilgrims. There has been extensive use of Information Technology in Haj Management. There is computerization of pilgrim location and movement including of all those performing Haj through the private tour operators. The website of the Indian Consulate General in Jeddah, provides the whereabouts of all the pilgrims and their relatives in India can communicate with them during their stay in Saudi Arabia.

I am glad to inform you all that for Haj 2006, around 147,000 Indian pilgrims performed Haj of which some 100,000 went through the Haj Committee of India and about 47,000 through the Private Tour Operators. This was an all time record. We hope that in Haj 2006-II also we shall be able to send a similar number of pilgrims.

The accommodation arrangements for Haj 2006-II are being taken in hand in the right earnest. Arrangements have been made to send Building

Selection Teams (BSTs) from various States during the period May 27 to September 9, 2006. As per past practice, the work of Building Selection Teams will be monitored by the Building Selection Committees (BSCs) who are members of the Haj Committee of India.

I am planning to visit Saudi Arabia soon to hold discussions with the Saudi Haj Minister, Dr. Foad bin Abdul Salam Al Farsi on the arrangements for Haj 2006-II. Based on our past experience, we shall flag our requirements and concerns regarding the needs of our pilgrims. We shall also be signing the Haj 2006-II Agreement with the Saudi authorities. Hopefully, towards the end of 2006, I shall try to make another visit to Jeddah, Makkah and Madina for personally inspecting the various arrangements made for our pilgrims.

As regards air transport, officials of the Ministry of Civil Aviation and Air India, who were also members of the Composite delegation, which visited Saudi Arabia, had preliminary discussions with the Saudi Arabian Airlines on April 10, 2006. Air India/Indian Airlines and Saudi Arabian Airlines will jointly organize the air transport of our pilgrims between India and the Kingdom.

During Haj 2005, we had achieved a major milestone as the opportunity for the Haj Committee pilgrims to land in Medina directly from India was made available. This has been greatly appreciated by the pilgrims and has also resulted in saving of some expenditure and facilitating better movement of pilgrims. Under this arrangement, some Indian pilgrims should be able to arrive in Medina directly from India during Haj 2006-II also. Proposal to add Bhopal or Indore, Jodhpur and Varanasi as additional embarkation points is also under consideration.

Being aware of the problems faced by the pilgrims going through the Private Tour Operators (PTOs) and taking note of the concerns of the Saudi Arabian authorities' with respect to Haj arrangements by PTOs, the Government started the registration of PTOs from Haj 2003 onwards. This will continue for Haj 2006-II also. This has yielded positive results as the number of cases of pilgrims remaining unattended in Saudi Arabia has considerably declined. We will continue to strengthen the regulatory framework to ensure that these pilgrims are also able to perform a proper and satisfying Haj.

On their part, the Government and the Haj Committee of India constantly strive to make Haj as comfortable and affordable. While all possible measures are taken to cater to the diverse requirements of all our

Haj pilgrims, considering the magnitude of the logistics of movement, accommodation and air transport, it is not always easy to satisfy all the pilgrims. I would, therefore, request the pilgrims to show patience and understanding. I appreciate that most of the pilgrims have been cooperative and appreciative of the government authorities. As improvement in Haj Management is a continuous process, I, on behalf of Government of India, would like to assure you that we would consider all suggestions that would emerge from the deliberations of this Conference to bring further improvement in Haj management.

May I take this opportunity to mention that the new Haj Committee Act 2002, which repealed the old law of 1959, provides for a more representative and broad-based character to the Haj Committee, envisages better financial accountability, provides for Parliamentary scrutiny and sets out clearly the responsibilities of the various organs concerned with Haj management. The new Haj Act confers statutory recognition to State Haj Committees. Six Members of the Central Haj Committee are to be elected from the six zones through the State Haj Committees. However, it is a matter of great concern that some of the States have still not constituted their Haj Committees in accordance with the new Act. May I request that those States who have so far not constituted their State Haj Committees in pursuance of the new Act, may please do so expeditiously so that the task of holding Zonal Elections can be undertaken without delay.

Before concluding, may I make two suggestions before this conference for its kind consideration. (i) suitable arrangements should be made so as to ensure that the pilgrims who have gone through the Haj Committee of India during the last five years do not avail of its facilities again. (ii) Pilgrims who had applied for pilgrimage in Haj 2006 but could not go due to paucity of seats, may be given priority during Haj 2006-II.

I wish to convey my grateful thanks to all of you for attending this conference. I assure you that we shall consider all suggestions that will emerge from the deliberations of this conference today to further improve the Haj management.

I thank you all for your gracious presence and extend my best wishes for a very successful All India Haj Conference. I personally thank H.E. The Ambassador of Saudi Arabia for attending the conference.

Thank you, Jai Hind.

012. Lecture by Foreign Secretary Shyam Saran at the Institute of Oriental Studies (Russian Academy of Sciences).

Moscow, May 31, 2005.

(Prof. Tatiana Shaumian, Director of the Centre for Indian Studies at the Institute was the moderator at this event)

Foreign Secretary: Madame Shaumian, Distinguished guests, Ladies and Gentlemen!

I consider it to be a very great privilege to have this opportunity to very informally interact with such a distinguished audience particularly people who are well known experts in their respective fields. This institution has a very prestigious history - history of very close connections with India. It is our hope that these links between the Institute and India will further strengthen in the days to come, because I think we are living in a period when India-Russia relations have become even more important and the need for understanding among countries of Asia and of course Russia - we consider Russia as part of Asia as well, has become very important.

I thought what I could do is to sketch out how India looks at the world today and its own place in the emerging world order and then perhaps I would answer your questions to the best of my ability.

The way India sees the international landscape both today and in the foreseeable future, we believe that it is going to be influenced by a constellation of major powers, among them the United States, the European Union, China, Russia and of course, we count India as well. Perhaps, we could even add countries like Japan or countries like Brazil from Latin America but essentially these are the major powers that would have an impact on the manner in which the emerging world order evolves in the coming years. This is, of course, because of the political, military, economic power, that these countries are likely to possess, but also because the capabilities that they bring in order to deal with the whole series of global and regional issues and also in dealing with crisis situations.

It is our sense that while tensions may emerge among these major powers over various issues, but the process of globalization and economic interdependence among the major powers has now reached a point where concepts such as containment, which you are particularly aware of from

the days of the Cold War, now have very little relevance. What we are likely to see, are in fact, coalitions put together among some of the major powers in order to deal with issues where there are shared interests, even though there may be differences in approaches. So while there may be tensions which may develop over certain issues but the fact of interdependence puts a limit beyond which these tensions cannot escalate.

We are looking at an emergence of a global order which would be dominated by these major powers but there would not be any kind of major confrontation or major conflict amongst these powers.

In this kind of a global landscape what is India's objective? If you look at our foreign policy objective since the time of our independence, it is essentially to expand India's strategic space. Now when we say expanding our strategic space what does it really mean? What it means in practice is to increase the autonomy of decision making of India on issues which are of importance to us. If you look at India's policy of non-alignment, essentially this is the motivation behind it. Non-alignment is the ability to judge issues, to act on issues on the basis of one's own judgment, on the basis of what our first Prime Minister Nehru used to say, "enlightened self interest".

In the emerging global order - the political order or the economic order - what it really means is that India does not wish to be just a passive kind of a reactor to the rules which are being made by others but rather would also like to be one of the powers which are contributing to the shape of a global order which emerges and shape it in a manner that enables India to pursue its vital interests. In terms of diplomacy, what this translates into is a policy of intensifying engagement with virtually all the major powers, while still retaining a certain room for maneuver for India. It also encompasses the policy of nurturing and increasing activism among our traditional constituencies, constituencies which India has in the developing world. For example, currently you will see that there is a major focus of India on its relationship with Africa, because we see that as a very important component of increasing India's role in the global order.

If you look at various components of our foreign policy in the recent past, you will see that there have been significant developments. For example, there is a transformation of India-US relations. We have set up a strategic partnership with the European Union and we today have an across the board engagement with China, with whom also we have what we call a strategic and cooperative partnership. There is a revitalization of our

relations with Russia taking place after a certain dip and with the passing away of the old Soviet Union. There is today also new energy in our relationship with Japan. You might have read recently that our Defence Minister was in Japan. There is today a very dynamic security component to our relationship with Japan. So as you can see there is an across the board upgrading of our relationship with virtually all the major powers - all the major actors - today.

The other feature of the emerging international landscape as we see it is the growing salience of what we call cross-cutting or trans-national issues. What are these issues? Issues like, for example, energy security, environment, non-proliferation of weapons of mass destruction, pandemics like avian flu or HIV/AIDS and of course, for us and I think for Russia, too, an extremely important international issue - the problem of terrorism. It is obvious to us that to deal successfully with any of these trans-national or cross-cutting issues, no single country, no matter how powerful, can hope to deal with them successfully if it is to deal with them unilaterally. No single country can really afford to go it alone while dealing with these issues. It is also clear that the role of large, populous and rapidly growing countries like, for example, India and China but also countries like say Brazil or South Africa would be indispensable in dealing with these cross cutting issues. Take the issue of energy, for example. If countries like say India and China are going to continue to grow at the rate of say 8% or 10% per annum for the next 15 or 20 years, then you are looking at a very large demand for energy resources. Neither India nor China would like energy to become a constraint on our growth, but at the same time our demand for energy resources will also have big impact on the global energy situation, not only on the global energy situation, but depending upon the energy mix which India and China adopt, there would also be consequences for the global environment.

Thus, if you are looking at how to successfully deal with some of these major international issues, it is quite apparent that unless you have a very active and positive role of countries like India and China it would be very difficult to deal with these global issues. I think it is the recognition of this which has led to the virtual institutionalization of the concept of outreach countries. We earlier had the G-7, and then Russia joined and it became the G-8. This year Russia, for the first time is going to host the G-8 summit in St. Petersburg. For the last several years, the concept of outreach countries has developed, including China, India, Brazil, South Africa and now Mexico as well. This has become institutionalized. These five countries

will again be present at St. Petersburg and some of the important issues which will be discussed at the St. Petersburg summit would include energy security, education, as well as dealing with, for example, infectious diseases like Avian flu and HIV/AIDS.

You can see that there is recognition already in the world that in order to deal with these kinds of cross-cutting issues it is important to have coalitions of important countries and all major partners working together. When we are looking at the international landscape, as it would evolve in the next say 15 or 20 years, it is apparent to us that increasingly we will be facing precisely these kind of global issues. There will be fewer and fewer issues which are amenable to being dealt by one single country or a small group of countries.

When we see these kinds of challenges it is quite clear to us that we would need to have multilateral as well as broadly participative processes in order to deal with these issues. And this is what India has been advocating. It is also something which is important in dealing with for example, regional armed conflicts. You have seen the experience for example, of Iraq where the reliance on multilateral approaches may have been more successful in dealing with this very difficult regional conflict. At the centre of this multilateralism, of course, is the United Nations - the only truly multilateral institution that is available to us. And along with multilateral institutions you must have multilateral approaches i.e. there should be a greater reliance on multilateral mechanisms.

The United Nations has a structure which is completely outdated in terms of the emerging global landscape. It has a post-1945 structure which is outdated and not in tune with or reflective of the current global landscape and the landscape that is emerging. So unless we have the reform of United Nations not just in terms of its administrative efficiency, but also in terms of reflection of the current realities of global politics, we do not believe that it can function as a truly multilateral institution. In that respect, as you know, we have called for the restructuring of the UN Security Council and we believe that countries like India should be permanent members of the Security Council. In this respect we are very grateful to Russia for having unreservedly extended its support to India.

I will briefly talk about India's own rising profile because, in a sense, over the past few years, India's profile in global politics has acquired greater salience. India's global profile or its emergence as an increasingly indispensable partner in dealing with various global issues is really the

result of a sustained economic reform programme in the country and its accelerating growth over the past 10 to 15 years. India's Prime Minister Dr. Manmohan Singh is the person who was the architect of reforms in the early 1990s. In essence, we consider India's destiny as being part and parcel of the rapidly globalizing world rather than as a largely self-sufficient and relatively closed economy. This is a major change in our way of the thinking. The fact that India is a stable democracy has greatly helped. It was not easy to arrive at a consensus on economic reform, but now there is no resistance in India in embracing globalization, although there is and there will continue to be debates about the scope of these reforms and the pace of globalization. In fact, today we believe that India is proof that if you take a longer term perspective, then development and democracy are not antithetical. This reinforces a powerful message to the world. There was a time when it was considered that some kind of autocratic or authoritarian political order was necessary in order to bring about economic development. I think India's experience has proved that in the long run, a stable and steady growth is possible - not only possible, but perhaps is better delivered with a democratic form of Government.

There are other strengths too that India demonstrates. The advantage, for example, for India is its demographic profile. We see that large parts of the developed world are faced with aging populations and the proportion of working population is shrinking. The demographic profile of India is such that we have a young population - more than 50% of the population is below 25 years of age and even if you look at the next 15 to 20 years we find that India's demographic profile will remain very favorable in terms of the youth component of population. And, besides, there has been a prolific expansion of our highly qualified manpower base. India today is producing a couple of hundred thousand engineers, technologists and graduates who are joining the work force and that in itself is a very important resource.

When we see the emerging world say 20 years from now or 30 years from now, what is society going to look like? We believe that society is increasingly going to be knowledge based. The main resource of development will be knowledge. It will be more and more a technology driven society. If that is the kind of society that is emerging then we believe that India is very well placed because of the factors that I just mentioned. If you take, for example, the excellence that India has achieved in information technology, it is a pointer to what kind of resources we would have in the future.

The other point that I would like to make is that we are awaiting a future which is going to be even more globalized than today. We know that there is resistance to globalization in certain parts of the world. In India too there is a debate on the pace and scope of globalization but there is also recognition that globalization is here to stay - that it is a process that cannot be stopped. It cannot be reversed. If we are going to be more and more integrated into the global economy then it is also clear to us that the basis for that globalization strategy must begin at home, and to make success of the process, also important would be regional integration in South Asia and in our expanded neighbourhood including South-East Asia, Gulf countries and increasingly the Central Asian region. So, unless we can do a better job of integrating our own region and making it an integrated economic community and unless we are able to successfully integrate India into a larger Asian economy, we may not be able to do a very good job or have a successful strategy for integrating India into the emerging global economy. If you analyze India's policies over the past 10 years or so you will see that there has been a very strong drive for India to lead the process of integration in South Asia itself.

As you remember, former Prime Minister of India Mr. Vajpayee put forward a concept of South Asian Economic Community - having a single currency, having no transportation barriers at all, no trade barriers at all, within South Asia. That has been a kind of guiding star in terms of our South Asia policy. Obviously we are not able to do this in a short time frame. There are also very real political divisions among the countries of South Asia but we have tried to put in place the building blocks. For example, we have had a very successful free trade agreement with Sri Lanka - successful enough for us to move on to a concept of a Comprehensive Economic Partnership with Sri Lanka. We already have a free trade system with Nepal and we have excellent cooperation between India and Bhutan. India is today the largest consumer of energy which is produced in hydro electric power projects in Bhutan; with the result that Bhutan is probably the richest country per capita in South Asia. What we are trying to demonstrate is that the very dynamism of the Indian economy, the very prosperity which is being generated by the Indian economy is an asset for our neighbors as well. We are trying to give a stake in our prosperity to each of our neighbors. And we believe that if we are able to create a virtual economic community in our region, it would also have a very beneficial impact in terms of healing the political divisions in South Asia.

If you go further, you may see that India has, over the past few years

been following a consistent policy of increasing its engagement with South East Asia. It began with a dialogue partnership with ASEAN, then it became a summit partnership and now recently India has also joined the East Asia Summit. Our Prime Minister put forward at the last East Asia Summit, his vision of an Asian economic community where there would be no trade barriers, there would be free movement of peoples, of ideas and of goods and services. That is another example of how we are going to build regional economic integration in order to do a successful job of integrating globally. This is the "Look East Policy" of India.

On the Western side, we have very much increased our economic engagement with the Gulf countries. Today we are also talking about a possible Free Trade agreement with the Gulf Cooperation Council. And, of course, Central Asia, which is critically important to Russia as well, is also emerging as a significant area of engagement for India's foreign policy. This is the very reason why, for example, we have been very much interested in the Shanghai Cooperation Organization(SCO). We are now an Observer in the SCO and we see this as a vehicle for bringing about the kind of economic integration with the region that we have been thinking about. There are also other mechanisms that I would just like to mention in passing here, the trilateral cooperation between Russia, China and India. Although it is still at an initial stage, it is already being looked upon as a mechanism of great promise for the future.

Before I conclude, I would just like to say a few words about our relationship with China because I think when we are looking particularly at the Asian situation, almost immediately the question arises, what is the future of India-China relations. There is one theory that with both India and China growing very rapidly, it is inevitable that there will be competition for markets, there will be competition for resources and there will be also inevitably, a rivalry between these two rising powers in Asia. That is one way of looking at it. In fact, as far as India is concerned, and we believe this is a view shared by the Chinese leadership as well, on balance, there is convergence between the two sides. There are expanding complementarities between the two countries rather than inevitable rivalry or conflict. We believe the rapidly expanding economy of Asia as well as the world as a whole, offer enough space for both India and China to grow together. Both countries can actually contribute in the prosperity and stability of Asia.

If you look at past history - you know cultures of Asia - the prosperity of Asia was very much linked to the tremendous dynamism both of India as

well as China. We believe, in a sense, we can recapture that spirit. We believe that the models of development which India and China have adopted in fact make their economies at this stage at least, far more complementary. If you look at India's strategy of development, it is much more service-based, it is more, as I said, knowledge-based. Today, in India, despite the fact that we are a developing country, more than 50% of our national income is contributed by services. When you look at China, its great strength is its manufacturing sector. What is also happening is that India is using its IT strength to raise the productivity of its manufacturing sector. China on the other hand is trying to catch up on the services side, on the knowledge side, because it finds that merely being strong in manufacturing, being just the workshop of the world is not enough in terms of sustained prosperity for the future.

So over a period of time, the two economies, the two models may converge. At this particular point of time, there is in fact quite a high level of complementarity between the two economies. For example, there is a great interest in China about Indian software and India is very much interested in the success that China has achieved in hardware. On the last few occasions when Chinese leaders have visited India, they have first gone to Bangalore before they came to Delhi because of this great interest in India's information technology progress. We believe there is a complementarity and this has resulted in a very rapid growth of bilateral trade between the two countries. It is already at the level of US \$18 billion and if the current trade growth rate is sustained, then it is estimated that over a period of may be 5 years or so, China may even become the largest trade partner for India. That is the rate at which the economic linkages are growing. And there is also a lot of cross investment taking place between the two countries. There are Indian companies investing in China and there are Chinese companies investing in India. This particular trend is also growing.

It is true that there will be areas where there will be difference of approaches between India and China and there may be areas there will be some competition. For example, in terms of search for energy resources there may be some areas of competition, but in other areas India and China are actually working together to avoid competition. You take Syria for example - it was a joint venture between an Indian company and a Chinese company which bid for exploration of oil and gas resources in Syria. There is also a sense in India and China that our interests are better served if we worked together rather than compete with one another. This is not to say,

there is no competition, but, on balance, there is a convergence between the two countries. This is the more important trend.

In conclusion, I would just like to summarize: we may continue to see, unfortunately, the continuance of regional armed conflicts, we may see some exacerbation of global challenges such as terrorism, but we do not really see the prospects of major confrontation or conflict among the major powers. And this suits us fine because one of the very important objectives of our foreign policy is how to ensure a peaceful and supportive regional as well as global environment to enable us to really achieve the objectives of our economic development - that is, bringing about higher living standards for our peoples and ensuring that poverty is eliminated from our country. This requires, over an extended period of time, a regional and a global environment which is essentially peaceful and not only peaceful but supportive of India's objectives. We believe that this particular objective of India's foreign policy is in fact achievable.

As I mentioned in this context, we attach great priority to India-Russia relations. Russia is important as it is both an European power as well as an Asian power. Especially in the last few years we have seen a Russia which, in a sense, is reasserting itself - a Russia which is beginning to regain some of the confidence that it had perhaps lost after the break up of the Soviet Union. We believe that the emergence of Russia as once again, a very major and critical power in the world, will contribute to a more balanced international environment that we are talking about. And in this context, India-Russia relations acquire a new kind of strategic dimension.

Thank you, very much.

Question and Answer Session:

Question: Some of the UN based decisions do not favour certain countries. Should not there be some mechanism to protect the less developed countries? (Full question not audible).

Foreign Secretary: Well, you are quite right that while globalisation has winners it also leaves behind losers. This is not only true in terms of the international situation. I think it is true even within countries. For example, in India there are industries and sections of our economy which have gained greatly from the process of globalization, but there are also other parts of India's economy which are being left behind and are not able to share in the fruits of globalization. One of the major challenges that we have in our

domestic politics is to ensure that those who are being left behind are, in a way, helped to come up so that they too can benefit from globalisation. I think it is the same case internationally. The logic is the same in that those countries which are not fully geared to take advantage of globalisation, the international community as a whole has a responsibility to make that happen. This is where multilateralism comes in. If you look at the stand India has taken, not only India, but other important developing countries like say Brazil or South Africa, we have taken the position that in order to be successful the new WTO round must take development as its center-piece. It is not just enough to talk about the global market. In order to make it an even playing field you need to have non-reciprocal advantages for the developing countries. That is our approach. I think if you look at the manner in which the G-77 operates, it is precisely on this same principle. This element continues to be a very important component of India's foreign policy. More directly, I have mentioned in the beginning that, India has, for example, today a much more active strategy for Africa. In dealing with Africa what we are trying to do is to leverage our strengths; our strengths in IT, communications, education and particularly technical education, to raise capacities amongst the African countries. This has been very much welcomed. By the way, it is not something which is being done as charity by India, but we find it creates opportunities, economic opportunities for India. So this approach works to the advantage of both sides.

Question: When we are looking at multilateral institutions what we find is that, over the years, the role of the United Nations and its special agencies have undergone a change. Why?

Foreign Secretary: If you look at these institutions, working in the 60s and 70s even I would say, part of 80s, they were very much structured to serve the interests of the majority. So if you look at the debates in the United Nations, if nothing else, a very strong public opinion on behalf of the developing countries was very much evident. If you consider the activities of specialized agencies for example WTO, IAEA or the Labour Organization, their real objectives were to help developing countries. Developing countries had a sense of ownership of these institutions because they were in the majority in these multilateral institutions. Then what has happened since the 80s is that for developing countries, the role of these organizations has undergone a change. They are now being looked at more as regulatory bodies, bodies which penalize. They have almost taken on the role of a policeman; most I think evident is the role of the IAEA. The International Atomic Energy Agency was set up to promote nuclear energy for

development of developing countries. Today it has become essentially a regulatory and a punitive body.

If you look at some of the other institutions also, a similar kind of situation has developed. Part of it is because the regular budget of the United Nations and its specialized agencies is no longer able to finance any thing more than their administrative expenses. So it becomes donor driven. None of the activities can be carried out unless the richer countries give money to carry out a particular activity. This begins to determine the priority of the international institutions. Unless we are able to change the situation, unless you are able to change the political balance in the international institutions you will not be able to bring development back to the centre of the multilateral institutions, and that is essentially the objective we have within the UN and other similar multilateral institutions - precisely to bring about that change.

Question: India-US nuclear deal? How do you assess it? What stand will India take if Iran does not abide by the UN resolutions? (Full question not audible.)

Foreign Secretary: As far as the India-US nuclear deal is concerned, let me try to give you a very brief background to it because I think you should understand the nature of the particular deal. The India-US deal is not an arms control measure. It is a measure for the promotion of energy security. As I mentioned, India like China and some other countries, is facing an energy challenge. If India and China are growing at the rate of 8-10% per annum over the next 15 to 20 years, you are looking at a very tight energy market situation - much tighter than what you have today. Already energy prices are very high. Now India has come to the conclusion that unless we diversify our energy mix we will not be able to meet this energy challenge.

One major component of this would be nuclear energy. That makes sense for India because we have, for over the years, developed a very comprehensive nuclear industry. Russia is very familiar with the capabilities of our nuclear industry because you are also one of our partners. So it makes sense for India to go in for a major expansion of its nuclear energy industry. Now, we can do it on our own and by 2020, maybe we can reach a target of 20,000 MW, but that is still a drop in the ocean in terms of the needs that we have. If we had, instead of the technology denial regimes which are constructed around us, a supportive and cooperative international environment, then, instead of 20,000 MW we could reach 60,000 MW. We

can buy 4 more Kudankulam type of reactors from Russia and make it 40,000 MW in one go. This is really the key. In order to bring about a different kind of energy mix which is not only good for India but good for the world, something has to change. Now in changing this, what about India's non-proliferation record? India is not a member of NPT but was one of the original sponsors of the non-proliferation treaty. We did not sign the NPT not because we wanted to proliferate, but because we did not agree to its discriminating nature. It is not because India was against non-proliferation. If you look at India's record right through the last 50 years, has India ever been guilty of any kind of proliferation? Has any leakage of technology taken place from India to any third country? Never.

So whatever we have developed ourselves, or whatever we have received from any third country, we have never been guilty of any kind of proliferation. While India is technically not a part of the NPT, but I think India's record in terms of non-proliferation is very clear. What have we said to the United States and to our partners in the NSG, the Nuclear Suppliers' Group, is that we cannot have any limitation on our strategic programme, on our nuclear weapons programme, because that has a security dimension. There are two kinds of assurances we are, however, ready to give. One set of assurances is that whatever we receive through international cooperation will not be diverted to our strategic programme; that we should not expect that you should help our strategic programme. Second is that whatever we receive as international cooperation is not diverted to third countries. So we are ready to give these assurances. When we are talking about the deal, those are the assurances we are working on. There is a compelling case for an India-specific exception being made because of its record and because of the energy imperative. The question is - is it better for you to have India which has such a large nuclear programme, which has today a whole range of sensitive technologies and will have more of these technologies as it develops in the future, in the international mainstream or would you prefer that we remain outside the mainstream? I would think, if you are really being rational and not theological about it, it is better to have India in the mainstream rather than outside. That is the case. As regards Iran, I may say that right from the beginning, India has favoured solution of this issue through discussion within IAEA. Iran is a country with which India has had long-standing civilizational links. Iran is the only transit route for our access to Afghanistan and Central Asia. Iran is geographically close to India and is India's major energy partner. Any approach based on sanctions or threat of use of force or use of force will have disastrous consequences both in the region and globally.

Question: India-Nepal relations? (Full question not audible).

Foreign Secretary: With Nepal, we already have a free trade regime. It is a non reciprocal regime because we are permitting free entry for all Nepalese goods to India but Nepal is able to impose some tariffs on Indian goods going to Nepal. This is because of the difference in the level of development between the two countries. Nepalese goods are allowed free entry into India and that has been very helpful to the Nepalese economy. But in the context of the current crisis in Nepal, there are several things we have to do. We have to put together a fairly generous economic and financial package in line with Nepal's own priorities and requirements to help the government stabilize because they have lost out in terms of revenues for the last few years when Nepal underwent disruptions in its industrial and trade activities, because of insurgency and political turmoil there. So in the initial phase, this government will need a fairly strong injection of urgent financial assistance in order to stabilize.

One of the things that we will be doing is to offer assistance to them when their ministerial team comes to India in a few days. We will be working out with them some urgent assistance that would be made immediately. In the longer term there are many things that India and Nepal can do together. As I mentioned to you our experience with Bhutan, we already have a very major hydroelectric power project which is supplying about 330MW electricity to India and currently we are working on a much larger project which will be commissioned in September this year. With these two projects together, the per capita income of Bhutan will go up to about 1300 to 1400 US dollars. Nepal by contrast has much higher hydroelectric power potential than Bhutan does; in fact about 3 times that of Bhutan. Nepal also has the advantage that most of the possible power projects are much closer to the consuming centres in India. The whole of the northern India belt is very close to Nepal. If Nepal were to develop some of the hydroelectric power sources in the near future, it would completely change the economic prospects for Nepal. From being one of the poorest countries, it has the potential of becoming one of the richest countries in South Asia. So it is a question of how we politically create an environment for this kind of long-term economic cooperation between the two countries. There are other areas as well. Because Nepal is a country with free access, Indian tourists constitute the largest component of tourists visiting Nepal. The tourism industry therefore can also be developed much further, based on the Indian market. These are the areas in which Nepal and India can work together and this would really change the economic picture of the country.

Question: Youth of the two countries can play a good role in the further development of India-Russia relations. There are many young Russian people who are learning Hindi. What can be done by the youth to promote Indo-Russian cooperation?

Foreign Secretary: First of all I compliment you on your very good Hindi. There is no doubt that mutual learning of Hindi and Russian languages in each others' countries would promote deeper bilateral understanding. Our excellent relations with Russia are not only between the two Governments but also between the peoples of our two countries. I believe this should be further encouraged.

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013. Speech of Defence Minister Pranab Mukherjee at 5th Asia Security Summit at the International Institute for Strategic Studies: “India - A Rising Global Player”.

Singapore, June 3, 2006.

I thank the government of Singapore for the warm hospitality extended to us and the organisers for making excellent arrangements for the Dialogue. Though I had the intention of joining the Dialogue on the previous two occasions, but because of some domestic reasons I could not do so. I am glad to have the opportunity of participating in the Fifth Shangri-La Dialogue. On this occasion, our mind goes to the suffering people of Indonesia of the latest earthquake. When I heard of the crisis, I was in Tokyo and I sent a message of condolence to my Indonesian counterpart. India along with the other countries has extended a hand of cooperation to provide relief and succour to the hapless victims of the earthquake.

I have been asked by the organizers of the increasingly popular Shangri-La Dialogue to speak to you today as a representative of India – one of the rising global players. While in general I will talk about “Growing India and its impact on regional and world matters”. I am also taking the liberty to briefly review our fast evolving ties with Northeast Asia, ASEAN and Singapore and end the address with a few words on maritime security. I felt I should begin with a brief overview of India’s well-known defence and security policy goals.

INDIA’S DEFENCE POLICY GOALS

Protecting and safeguarding India’s territorial integrity and sovereignty undoubtedly lies at the core of India’s defence policy. It is India’s national mission to promote rapid economic and social development for the vast majority of its people. Our defence and security policy is dovetailed to this supreme goal to ensure a peaceful and secure internal and external environment, in which it can be pursued. India has always been actively promoting and sustaining durable peace in the immediate neighbourhood, including the Indian Ocean Region. Premised on the twin policies of no extra-territorial ambition and no export of ideology, India seeks the peaceful resolution of all disputes.

As Defence Minister of India, it is my responsibility to ensure that our defence forces are adequately equipped to safeguard against any aggression. This established doctrine has led India over the last few decades

to create defence industrial and technological capabilities to equip our armed forces, and we strive continuously to build upon such capacities. That in turn has led India to augment its industrial and technological resources through collaboration where necessary, in recent years, both through public-private partnership and with dependable foreign partners.

India's desire for peace and the use of diplomatic means for resolution of all disputes is unwavering. However, as a large and vibrant democracy with a diverse social, religious and economic background of its peoples, the country finds that its peaceful stance has to be backed by a credible and stable military deterrent with necessary command and control structures. This includes a nuclear doctrine of credible minimum deterrence. Ingredients of this doctrine are, 'no first use', non-use against non-nuclear weapons states, and voluntary moratorium on further tests. This defence preparedness is not at the cost of developmental expenditure. Hence, India's defence expenditure remains modest at less than 2.5% of GDP and in per capita terms among the lowest.

Given the global challenges and dangers posed by international terrorism, proliferation of weapons of mass destruction and related technologies, piracy on the high seas, trafficking of arms and drugs and the increasing levels of violence resorted to by non-state actors, requires us to operate a modern defence intelligence gathering and sharing system. Global challenges have to be met head on globally. This belief leads India to actively work with friendly countries in regional and global security tasks, UN peacekeeping and peace building, counter-terrorism, non-proliferation and arms control.

INDIA'S ROLE IN ASIA AND THE WORLD

As the largest and most populous continent, Asia hosts nearly 60% of the global population and about 25% of the global GDP; three declared nuclear weapons states and a couple of others tacitly acknowledged so; two of the largest standing armies in the world, non-Asian navies operating freely in Asian waters and a large number of missile producing and exporting countries. If expanded to the Asia-Pacific region then this huge Asian entity combines with the large north and south American economies and the vast military might and influence of the United States.

Where does India stand in this impressive array? A lumbering elephant or an emerging giant – perhaps a bit of both. With its economy growing at over 8% per annum last year and set to rise further in the coming

years, India's one billion people are increasingly a driver of regional and global growth and prosperity. Software, manufacturing, agriculture, nuclear energy, space, disaster management, maritime affairs, entertainment and culture are areas in which India's role is becoming increasingly vital for the region and the world. While the country will still need more time of continuing high growth and a sustainable and balanced development strategy to overcome the problems of poverty, uneven development, infrastructural and institutional deficiencies, it is proactively addressing all these issues. India is a unique case where development, industrialization and democracy have gone hand in hand.

The distinguished Chinese leader Deng Xiaoping had told the charismatic Indian Prime Minister Rajiv Gandhi almost 20 years ago, that there could be no Asia-Pacific century or Asian century without India and China forming crucial elements of such an architecture. India is one of the important legs of the Asian juggernaut along with China, Japan and Indonesia. In the Asia-Pacific region, India's growing ties with the United States and other countries in North and South America brings with it a commensurate role in the region.

Asia's emergence is no longer a grand hypothesis. Its growth credentials are increasingly in the realm of reality. Notably, Asia currently contributes about 25% of global GDP, which is expected to rise to 57% by 2025. Asian countries are among the fastest developing economies in the world. Intra-Asian trade in 2002 was US \$ 3587 billion- about a quarter of world trade.

India's role is crucial for ensuring and maintaining long-term peace, stable balance of power, economic growth and security in Asia. It is a core state whose role is crucial for the economic well-being, institution building, collective and cooperative security, economic integration and trade expansion and political and civilisational dialogue, essential for a growing Asia. It straddles the land and maritime spaces between East and West, and provides potential energy and trade corridors to Central Asia and the Indian Ocean region. Responding to the challenges of globalization is one of the key issues faced by all nations today. As a pluralistic, democratic and English speaking society, India is well placed to respond.

Those of our neighbours like Sri Lanka and Bhutan, who have chosen to leverage India's engine of growth have benefited significantly. Those who have held back have done so to their detriment. Regional growth has significant security implications because prosperity and pluralism are today

key pillars for global security. East Asian development took place in three phases – Japan initially, the Republic of Korea and Taiwan later and now China. Southeast Asia has also made remarkable progress. In our quest for an Asian century, can South Asia afford to lag far behind? This obviously calls for a regional and global effort to facilitate the South Asian region to catch up. India is making every effort in that direction mainly through the vehicle of the South Asian Association for Regional Cooperation (SAARC). We call upon our SAARC dialogue partners and others to encourage and facilitate this process.

India's ties with Southeast Asia, Japan, Korea, China and Australia is creating a more stable strategic environment and enhancing independence and institution building in Asia. Coupled with the simultaneous improvement in strategic ties with the United States, the European Union and Russia, this is enabling India for the first time in its diplomatic history to forge significant strategic ties with both West and East Asia. India's rapid economic and social development and growing confidence in responding to the challenges of globalization is already leading to the restoration of our historical connectivity with Southeast Asia as also West Asia.

The emergence of India as a global player will have a far reaching impact on the international economy, politics and security. In each of these areas, India is poised to play an increasingly larger role and the existing global institutions in their reform process would need to accommodate India's capabilities and political-intellectual contributions.

As a founding member of the United Nations, India has been firmly committed to the principles and purposes of the United Nations and has consistently and significantly contributed to all aspects of its functioning. India has a long and illustrious history as one of the longest serving and largest troop contributors to the UN peacekeeping operations. India has also played a great role in seeking to address the deficiencies, inequities and problems in the existing global institutional arrangements. As we observe the 60th Anniversary of the United Nations, there is unanimity among the member states that the United Nations is in need of urgent and comprehensive reform, in order to deal with myriad challenges of today's world more effectively. We believe that the reform and expansion of the United Nations Security Council, in both permanent and non-permanent categories, is central to the process of UN reform. The representation of developing countries from Africa, Asia and other regions, as permanent members of the Security Council is essential in this context. In this

framework, India is pursuing its candidature for permanent membership of the Security Council.

EAST ASIA SUMMIT, TIES WITH NORTH-EAST ASIA AND ASEAN

India is glad that the East Asia Summit (EAS) has been initiated and would in the coming years lead to cooperation among the members to create an East Asian Community, which as our Prime Minister has mentioned could be the harbinger of an eventually enlarged Asian community or union. As a member of the EAS, India fully supports and looks forward to constructive cooperation with others in the group to create the framework for greater regional integration and cooperation. We believe such a development would have a positive impact on Asian stability, economic growth and peace.

China is India's largest neighbour and therefore developing friendly cooperation with China is one of the priorities of our foreign policy. With frequent high-level exchanges including, my just concluded visit to China, the process of building trust and understanding has gained momentum and our relations have diversified across a wide range of areas. Our ties with China have reached a certain degree of maturity where we are determined to build upon our existing commonalities and identify newer areas of mutually beneficial cooperation. At the same time we are striving to address our differences in a proactive and purposive manner, without allowing them to affect the comprehensive development of our relationship.

Our ties with Japan are also expanding rapidly and not just in the economic and investment sphere. Japan, of course plays a major role in our development programmes through the Overseas Development Agency (ODA). In recent years we have stepped up our defence and security ties, based on the view that all countries and regions need to cooperate actively in order to tackle effectively the evolving global challenges. I have also recently concluded a visit to Japan where I had the opportunity to discuss in detail all these issues with my counterpart and some of his senior Cabinet colleagues. Not long ago, India's Minister of State for Defence visited the Republic of Korea and Mongolia where our defence ties are also in the process of being upgraded.

India's trade, security and energy ties with East Asia and the Pacific region is set to grow rapidly in the coming years. Southeast Asia and China are already two of our largest trading partners in this region, and Korea and Japan among the leading investors in our country. These ties will grow

many-fold in the coming years and would need sustained political, economic and security dialogue mechanisms for institutionalized support. The EAS, ARF and BIMSTEC and emerging strategic partnerships are elements of India's engagement with East and Southeast Asia, the core of its "Look East Policy".

INDIA-SINGAPORE RELATIONS

As the host country to the ever-growing Shangri-La Dialogue, it would be remiss of me not to say a few words about India's dynamic ties with Singapore. It is emerging as a hub for India's expanding economic, political and security ties with East Asia. Singapore is today an important investment and trading partner, and also provides the base for other East Asian countries to invest in India. It is our hope that the full implementation of the Comprehensive Economic Cooperation Agreement (CECA) signed with Singapore in 2005 - the first of its kind for India - will further generate economic integration between India and Singapore, and provide the base for new and wider opportunities for trade, investment, energy and defence ties with all of ASEAN. New areas of defence cooperation, including joint training facilities are emerging and supplementing existing cooperation between India and Singapore in the naval, maritime and counter-terrorism spheres.

MARITIME SECURITY

While in Singapore and at a security conference of this stature, the dimension of maritime security looms large on our radar screens. Singapore stands at the crossroads of one of the most important waterways of the world, the Strait of Malacca. More than fifty percent of India's maritime trade passes through these waters. Other Asia-Pacific countries like Japan, China and the ROK are even more dependant on the safe and secure passage of their sea trade through the Strait. In recent years, piracy has been a major challenge in this region and we can only hope that maritime terrorism does not follow closely behind.

There is a need to increase and strengthen regional cooperation to enhance maritime security. India has been working with countries in the region, both bilaterally and multilaterally through forums such as ARF to further strengthen cooperation. We believe that through the coordination of our individual efforts, the security of the sea lanes will be enhanced. Otherwise, as we have seen in the *USS Cole* bombing incident and recent attacks faced by the Sri Lankan Navy vessels, a small dhow or boat can unobtrusively collide with a larger vessel causing considerable loss of lives and equipment.

India welcomes the three-nation initiative on monitoring shipping through *Compulsory Pilotage* project of Indonesia, Malaysia and Singapore. Subject to the desire of the littoral states, as a major user-state, India would be willing to assist the project in whatever capacity is deemed suitable. India has developed capabilities in various aspects of maritime security and would be most willing to share its expertise with countries of the region. India is taking steps to join the Container Security Initiative and has identified the Nava Sheva port for purposes of executing this initiative. The Indian Navy has initiated several maritime security and capacity building measures such as countering piracy by joint exercises (specifically with Indonesia), returned the Allondra Rainbow ship to the Japanese authorities from pirates and participated in Tsunami relief measures in 2004-2005 in Sri Lanka, Indonesia and Maldives. The establishment of a Regional Marine Training Centre has been discussed at the ARF Workshop and the ARF Senior Officers Meeting. We believe that such a Centre would go a long way in establishing common understanding and common procedures. India would be happy to be associated with this initiative. Consistent with their global strategic partnership and the new framework for our defence relationship, India and the United States have committed themselves to comprehensive cooperation in ensuring a secure maritime domain. Similar initiatives have been taken with other maritime partners.

Before I close my address today, I would like to sum up the tangible global trends at the beginning of the 21st century. Barring a few exceptions, nation-states today are in what we might term “political and economic credit” environment in their relations with each other, i.e., generally a positive and mutually beneficial state of political and economic affairs. Unfortunately, this healthy and positive atmosphere is marred by what one might call a worldwide “security deficit”, whereby no country is free from the tension and conflict arising from the scourge of international terrorism, proliferation of weapons of mass destruction and their related technologies, trafficking of arms, drugs and humans and the growing tendency among non-state actors to take the law into their own hands. I would like this gathering of ministers, officials, researchers and scholars responsible for defence and national security of the countries of the Asia-Pacific region, to ponder deeply what more can be done, individually by each country and collectively as a region.

014. Interview of Minister of State Anand Sharma with the daily *Deccan Herald*.

June 11, 2006.

Deccan Herald : There is a general perception that India has shed its traditional role as a leader of the developing world, now that it is beginning to get into big league in international diplomacy. How do you look at this perception?

ANAND SHARMA : The perception is not correct. It is based on uninformed inputs. India has fully energised its relations with our traditional friends in the developing world, especially in Africa and Latin America. During the last four months, we have institutionalised India's partnership with all major sub-regional groups of Africa and Latin America. On our initiative, we had meeting with Team-9, Southern African Development Community (SADC), Economic Community of West African States (ECOWAS), and Common Market for Eastern and Southern Africa (COMESA). We have committed close to US \$1 billion in socio-economic developmental assistance in Africa. In the last four months' alone, we have received here Foreign Ministers from 25 African and Latin American countries. I can also say with confidence that our abiding commitment to NAM was acknowledged even as recently as a few days ago when I attended the pre-summit NAM Ministerial meeting in Kuala Lumpur.

DH : But isn't it a fact that last year we could not mobilise the support of African countries for the G-4 (India, Germany, Japan and Brazil) resolution in the General Assembly on UN Security Council expansion?

ANAND SHARMA : That is not correct. The impression that we could not garner support among African countries is based on wrong premises. We were in constant touch with AU members. Unfortunately, there are internal dynamics in the AU.

They could not bring out an internal consensus on the nature of the Security Council expansion. We have since engaged a large number of African countries. I myself have visited Africa thrice since I took charge four months ago. We hope that the forthcoming AU summit in Banjul (Gambia) on July 1-2 will reach a consensus on the Security Council expansion.

DH : Perhaps, for more than a decade, no Indian Prime Minister has undertaken a bilateral visit to any African country. What does that suggest? Relative neglect of the continent?

ANAND SHARMA : As I have said we are intensifying our engagement with Africa. This year South Africa will celebrate the completion of 100 years of Gandhiji's satyagraha launched in that country.

There is a proposal for the Prime Minister to visit South Africa to take part in functions to mark the historic occasion. Besides this, we are also working on proposals for Prime Ministerial visits to some other African countries. You will see our engagement with Africa gaining further momentum in the coming months.

DH : At a wider level, haven't we also lost to some extent our traditional leadership position in the NAM that brings together developing countries from all continents?

ANAND SHARMA : Look, there is neither any deviation nor dilution of our traditional foreign policy. True, we are engaging major powers in all regions of the world to build strategic partnerships with them. That can be only expected as our foreign policy initiatives are primarily guided by our objective of promoting India's national interests and our long-term objectives. But I can tell you from my recent interactions at the NAM foreign ministers meeting that we continue to be important in NAM. We are involved in every critical NAM fora.

DH : Did you take up our case for Security Council membership in the NAM meeting?

ANAND SHARMA : UN Security Council reform agenda was one of the core subjects of discussion in Kuala Lumpur. UN reforms, democratisation of the world body's various institutions will prominently figure at the NAM summit at Havana in mid-September. Our Prime Minister will attend the Havana summit.

We hope the summit outcome would create a favourable atmosphere for this year's General Assembly session which will start soon after the summit.

DH : Will the G-4 be relevant for pushing the Security Council expansion issue again since Japan had distanced itself a bit late last year?

ANAND SHARMA : G-4 is still relevant. Japan has come back to its ambit.

015. Excerpts from the Speech by Prime Minister Dr. Manmohan Singh on the Independence Day from the Red Fort.

Delhi, August 15, 2006.

My dear countrymen, brothers, sisters, and dear children My greetings to all of you on this day, the anniversary of our Independence.

1. Today is a very auspicious day for our country. Today we enter the 60th year of our Independence. Today we re-dedicate ourselves to the progress and prosperity of our nation. To the welfare of all our people. To the unity and integrity of our country.

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28. Our other concern is national security. India is facing two major threats to its internal security. Terrorism and Naxalism. Just over a month ago, Mumbai witnessed the most inhuman terrorist attack in the recent past, killing and injuring hundreds of innocent citizens. The entire nation was pained by this suffering. Mumbai demonstrated its courage and patience and showed its resolve not to be cowed down by these incidents.
29. I had said in Mumbai then that it cannot be business as usual for any of us. Terrorists want to undermine our growing economic strength; destroy our unity; and provoke communal incidents. We cannot allow this to happen. Our strength lies in our unity. We will not allow the secular fabric of our country to be broken.
30. I give my assurance to every citizen that we will do our utmost to preserve our unity and integrity, to make our country safe and secure for every citizen. We will modernize, strengthen and properly equip our security forces and our intelligence agencies. We will leave no stone unturned in ensuring that terrorist elements in India are neutralized and smashed. Let those who want to hurt us by inflicting a thousand cuts remember – no one can break our will, or unity. No one can make India kneel.
31. While terrorism has been raising its ugly head time and again, we have also seen peace having its victories. The people of Jammu and Kashmir continue to face the wrath of terrorism. But they have

also seen new rays of hope for peace and progress. New links of connectivity have brought people on both sides of the Line of Control closer – Srinagar to Muzaffarabad, Poonch to Rawalkot. Through the Round Table Conferences, we have started a dialogue with all political groups and parties of Jammu and Kashmir. We are jointly exploring new pathways to build a better tomorrow for its people – a tomorrow where they can live in peace and dignity, free from fear, want and exploitation.

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35. Every Indian wants to live in a neighbourhood of peace, stability and prosperity. People in our neighbouring countries share the same aspirations. South Asia is a common cultural and economic unit. Our past and destinies are inter-linked. India, as the largest country in the region, is ready to give our neighbours a stake in our own prosperity and share the fruits of our growth with them. However, the dream of a South Asian community, where borders have ceased to matter and there is an unhindered flow of goods and peoples, culture and ideas, can hardly be realized if terrorist violence and the politics of hate and confrontation continue to cast a dark shadow.
36. We are prepared to work together with all our neighbours to usher in an era of peace and prosperity for our peoples. We have taken several initiatives in this regard, in particular with Pakistan. To be successful, these initiatives need an atmosphere of peace. It is obvious that unless Pakistan takes concrete steps to implement the solemn assurances it has given to prevent cross-border terrorism against India from any territory within its control, public opinion in India, which has supported the peace process, will be undermined. All countries in our region must recognize that terrorism anywhere is a threat to peace and prosperity everywhere. It must be confronted with our united efforts. There is a large constituency for peace and shared prosperity among our people and we must work together to build on that.
37. In the past two years, we have succeeded in creating an international environment which supports our development aspirations. Our relations with the United States of America, Russia, China, Japan, and the European Union, have never been better and with Russia, we have further strengthened our time-tested partnership. In South-East Asia, India has been welcomed into the East Asian Summit.

There has been a significant expansion of both our political and economic links with countries of the Gulf and the Arab world. The continents of Africa and Latin America are now the new areas of focus for our diplomacy and India's engagement has become truly global. We are recognized for the scale of our achievements since Independence and the world wants India to progress.

- 38. India is a young nation. India is a nation of young people. Our youth are ready to work hard for a bright future. Our former Prime Minister, Shri Rajiv Gandhi, was greatly concerned about the prospects for our youth and took many steps for ensuring a bright future for them.

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016. Media Briefing by Prime Minister Dr. Manmohan Singh on board the Special Flight enroute to Brasilia.

September 11, 2006.

Q1. On the impact of terrorism on Indo-Pak relations

PM. Our position is quite clear. Terrorism today constitutes a threat for both countries. And therefore I believe consistent with the January 2004 statement, consistent with the September 2004 joint statement, consistent with the April 2005 statement that I and President Musharraf signed, it is incumbent on us to work together in a manner that inspires confidence that both of us are very serious about tackling the menace of terrorism. That's the minimum I feel our two governments, our two systems should commit to achieve.

Q2. Structure or agenda for meeting with President Musharraf

PM. We will be discussing all aspects of the relationship between our two countries. India is not afraid of any discussion.

Q3. Trust Pakistan

PM. There is a problem of trust deficit between our two countries. And we have to take that on board. We have to take adequate precautions and General Musharraf, he is the President of Pakistan and we have to deal with whoever is in power in Pakistan. And I have always said that the destinies of the two countries are very-strongly inter-linked and full development potential of the sub-continent cannot be realized unless there is reconciliation between India and Pakistan.

Q4. On Disarmament at NAM summit

PM. As far as India is concerned, despite that fact that India is a nuclear weapon state, our commitment to disarmament remains strong. And that's our civilizational heritage. From Gandhiji, Jawaharlal Nehru to Rajiv Gandhi made concrete proposals for disarmament at UN General Assembly. And we will update these ideas and present it to the General Assembly this year. So there should not be any doubt that we are fully in support of any initiative which will help to promote universal nuclear disarmament. But one has to be realistic enough to recognize that this is not going to happen overnight. So any NAM initiative would have our support.

Q5. On Venezuela and Guatemala for non permanent membership of the UN Security Council.

PM. We have not taken any decision. I have asked our permanent representative at the UN to find out what are the prospects of various countries. We will take a decision well in time.

Q6. On Malegaon and Mumbai blasts

PM. We have to work harder. I called the Chief Minister's meeting to discuss what needs to be done to strengthen our intelligence system, to promote greater co-ordination between states and between Centre and states. All these things, I think require a structured approach.

Q7. On Malegaon blasts- ruling out involvement of Right wing terror outfits

PM. It would be inappropriate for us to rule out anything or rule in anything. I think there should be a fair investigation which inspires confidence and brings out the truth and nothing but the truth without anything pre-conceived notion. That has to be the objective.

Q8. On NAM, India being isolated

PM. There is no question of India being isolated. Our stand is fully in conformity with what our founding fathers of the Republic would have liked us to do it. Non-alignment is a state of mind with the ability to exercise an independent judgement on all issues, I think in that sense, non-alignment continues to have its relevance.

I don't buy this argument that most members of NAM do not want relations with United States. And we are not seeking good relations with United States at the cost of other countries. Our desire to normalize and expand relations with the US in no way contradicts or in no way runs counter to the interest of other countries.

Q9. On Malegaon blasts

PM. I have said this that we have to strengthen our intelligence set-up. Once events take place, we have to strengthen our investigative methodology. There is a problem. I do not deny that. We are doing the best we can. But there is considerable scope for improvement particularly in strengthening our intelligence gathering at the grass-root level, strengthening coordination amongst states and strengthening coordination between centre and the states.

Q10. On meeting Musharraf in Havana

PM. I will share with General Musharaff our perceptions of what's the role of external elements in promoting terrorism in our country. We will have an exchange of views on all issues particularly the commitment of Pakistan to not to allow Pakistan territory and that includes parts of Jammu & Kashmir which is in their occupation to mount terrorist attacks against India.

Q11. On India's air-strike capability being compromised.

PM. I don't think it is compromised but certainly I think we have to keep our powder dry. We have to take note of the fact of what is happening in our neighbourhood. All these things have to be kept in mind.

Q12. Cooperation with developing as well as developed countries.

PM. Well, as have-nots of the world, we have to toss all the balls. I've always said that foreign policy is essentially a device to widen our development options. The foremost problem before our country is to get rid of chronic poverty, ignorance and disease which still afflict millions of people. We need a strong economy. We need a fast growing economy. We need a pattern of growth which creates a lot more jobs. Whether it's improving relations with the US or improving relations with China or choosing the potential of cooperation with other developing countries whether in Africa or in Latin America, I think it fits into the over-all picture of making use of all opportunities to expand our economic and other multi-faceted contacts with other countries.

Q13. About a new foreign minister.

PM. Yes I've said there is a need for a full-time foreign minister and hopefully when I go back there should be a foreign minister in place. I'll be back on the 18th and I think soon thereafter.

Q14. On Cabinet re-shuffle.

PM. You asked a question about the foreign office. As of now I am thinking of only having a foreign minister.

Q15. On cooperation with Brazil.

PM. Brazil has always fascinated me personally – there are people like Celso Furtado, the great Brazilian economist. Brazil is now in a state of development where there are many complimentaries between Brazil and

India. I do believe our trade is expanding fairly fast. Brazil is an agricultural superpower. We can learn a great deal from the way their universities function, the way agricultural research function. Brazil has done remarkably well in energy security, they have offered us participation in exploration and development of their oil-fields. And also the ethanol initiative - Brazil has become nearly self-sufficient in its energy requirement. There is considerable scope for participation in the science & technology, in energy, agricultural technique and agricultural research, in all these fields we can learn a lot at the same time I think Similarly, Brazil can learn a lot from our development experiences.

Q16. On football coaches from Brazil

PM. Brazil's credentials as a football power are well-known. Mr Priyaranjan Dashmunshi has asked me to raise this matter with the government of Brazil even though this does not happen to be a subject between two governments.

Q17. Football and sports links.

PM. We must promote increased interaction with other countries. That also applies to the field of sports also. If we are going to have the Asian Games, if we are aspiring to have the Olympics in our country we must improve our capabilities in sports. If cooperation with other countries includes getting help - some coaches from other countries, I don't see anything wrong in that.

Q18. On NAM bi-laterals

PM. Various meetings are being lined-up. And you will know on due course.

Q19. On Indo-Pak talks no progress has been made.

PM. I don't see from recent meetings that's correct. I think we have moved very considerably over the last two years. Transportation routes have been opened up not only between the two parts of Jammu & Kashmir but also between our Punjab and their Punjab. Amritsar and Nankana Sahib, Munnabao and Kokrapar . Also two years ago, you could not say we would allow Hurriyat people travel freely wherever they wanted to go. They have been going on all directions. It's an unprecedented development. People of both countries including the two-parts of Jammu & Kashmir are meeting frequently to discuss possibilities of cooperation. So I don't know if it's

correct to say that no progress has been made. We have been discussing various issues at part of the composite dialogue. We can and we should move forward. But this terrorism will surely act as a damper. I have said more than once that I can't carry the Indian public opinion with me if terrorist acts continue to plague our polity. Whatever, be the cause of that puts a damper on Indo-Pak relations. Whether in Mumbai or elsewhere if these events take place that certainly vitiates the climate.

Q20. Terrorism and peace moves, how do you reconcile both ?

PM. As far as India's concerned, I think, we've given them substantial amount of evidence. But as far as the past is concerned, Pakistan sponsored terrorism has certainly been a fact of life. And the fact that Prime Minister Vajpayee and President Musharraf signed the joint statement in 2004 was in a way a tacit recognition of the ground realities and their solemn agreement to move forward in the reverse direction. But it is also true that incidents take place in Pakistan also. That Pakistan is also a victim of terrorism. These groups, whether it's Lakhshar-e-Toiba or Jaish-e-Mohammad, they can act autonomously also. But our experience has always been in the past there has been, I would not use strong words, but our worry has been that Pakistan government has not done enough to control these elements.

Q21. Globalization.

PM. I think what we want is an inclusive growth not only domestically, but also an inclusive globalization where the benefits of the tremendous advances in science and technology lead to the improvement of the human condition all-round. It's certainly possible as never before in human history to abolish poverty, ignorance and disease ; the means exist, the technology exists. What is missing is the social engineering. And it's a task for the world statesmen. We have a global economy of sorts but we lack a global polity, a stable global polity. We need to democratize the structures of governance at the international level so that concerted efforts can be made to make the process of globalization as inclusive as it should be.

Q22. Cooperation with Cuba

PM. I think we can learn a great deal from Cuba (and China as well). Universal literacy, their health-care standards. And these are areas we need to improve our own performance and we have a great deal to learn from other developing countries.

Q23. Democracy in Pakistan

PM. The general belief is democracy is good for Indian people and is good for the people of the world. But what system prevails in Pakistan is for the people of the Pakistan to decide.

Q24. On Lankan ethnic issue

PM. We are in contact with the Sri Lankan government. We are also in contact with the facilitators-the Norwegians. And our effort is to ensure that the ceasefire holds and that both parties are scrupulously committed to preserving the ceasefire. I think that's an essential pre-requisite before we can move forward to a durable solution.

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017. Press Conference of Prime Minister Dr. Manmohan Singh on board the Special Flight en route from Havana to Frankfurt.

September 17, 2006.

Q1. On meeting with Cuban President Fidel Castro

PM. I had a memorable meeting with President Fidel Castro. I spent about 40 minutes with him. And we covered a whole range of issues from the future of the international financial system, the future role of NAM, India's development prospects, how we were dealing with our population problem, food problem and energy problem. So that's a meeting I will always remember forever. I felt I was in the presence of one of the greatest men of our times. He recalled his affection for Jawaharlal Nehru and Indira Gandhi, on the whole it was a most satisfying meeting. I had gone there only to greet him but he engaged me in intense discussion, asking searching questions on India's economic problems, our food problems, our energy situation and how we ought to conserve energy, what Cuba is planning to do to conserve energy. What Cuba has done to promote human development with emphasis on health and education.

Q2. On Fidel Castro's health

PM. He was weak, but he was sitting and for 40 minutes was engaged in a very intense dialogue- showed no signs of tiredness. And at the end which he said if the NAM meeting had been held two days later he would have been able to preside over it.

Q3. On condemning USA

PM. We did not go into any condemnation of anybody, but he did say that the world's financial system is faced with many uncertainties with countries like the United States absorbing the bulk of the world's savings. So he said, there were risks about the future of such a system.

Q4. On Pakistan's trust deficit

PM. It is not a one day process, as I have always said we cannot choose our neighbours, we can choose our friends, we have to do business with our neighbours. General Musharraf, he is the ruler of Pakistan and therefore, we have to learn to deal with him. I have said it once before also in all these matters there is such a thing as trust and verify. We have now

agreed on a new mechanism to deal with terrorism. I think the explicit mention that both of our countries condemn this scourge that we will work together. I do think it is a new beginning. I hope it works, but if it does not work, then also we have to deal with the consequences.

Q5. On mechanism to tackle terror

PM. I look upon this mechanism which has yet to be worked out. This mechanism that we are put it place must be credible, must inspire confidence in both our countries and therefore, we will have to look at the mechanics of the move with due care.

Q6. Motivation for decision?

PM. Well it is quite obvious to Pakistan that things can not be business as usual if terrorism is not under control- or if the government of Pakistan is seen not to be willing to work with us to control terrorism. I think that's a the commitment I welcome and as explicitly as it could be stated it is a reiterated in the statement that we have issued. General Musharraf has assured me that Pakistan has no hand in perpetuating this He did not go into the past. He said whatever has happened in the past, let's work together in the future and I believe, this is the best that we could get in the circumstances.

Q7. Paradigm shift ?

PM. Well, I am not going into the causes of it. All that I am saying is that there is an explicit commitment on the part of Pakistan to say that they will work with us to do all that is in their control to control this scourge.

Q8. US role in agreement.

PM. There was no question about the US All countries in the world would like neighbours to work with each other. President Castro also asked me how are our relations with Pakistan and I did mention to him that we had a very good meeting, we had problems in the past and that these terrorist elements are not under control. We had discussed these matters. He then asked me questions about the about the rehabilitation in the wake of the earthquake, what we had done what hey had done to help Pakistan. I totally deny any insinuation that whatever we have with Pakistan is at the behest of US or any other country, it is in protection of our own sovereign national interest.

Q9. J&K CM's statement.

PM. Well, I have not seen what the J&K chief minister has said. Therefore, I am not able to comment constructively on what he has said.

Q10. After Cuban visit do you think you have done enough for the Aam Admi in India.

PM. Let me say, we should be doing a lot more. I have already said that our attention to social sector development is not as strong as it should be. There is a big backlog of illiteracy, there is a big backlog of improving health standards of our people, infant mortality rates, life expectation at birth in our country should be better than what they are now. I am conscious of the distance that we have to travel on these points.

Q11. On Jammu & Kashmir

PM. We have had a very sincere frank and sincere discussion on all issues. As you know, President Musharraf recalled what I had stated that borders can not be redrawn. And his statement that they cannot accept the Line-of-Control as a permanent solution. We both agreed that we have to find via- media to reconcile these two positions. And I do believe that we should work in all sincerity to think out of the box to deal with this situation. We have committed ourselves to work sincerely to find credible solutions to all outstanding issues and that includes the Jammu & Kashmir issue.

Well, Siachen & Sir Creek were mentioned in statement of April last year. They have been again mentioned – so that is part of our commitment.

Q12. If any more terrorist attacks take place again in India.....

PM. Let us not deal with an hypothetical question. I can not say for example that we have bought forever security for our country. Life is much more complicated than to be put in black and white. All I can say is we have made an advance. Let us give it a trial. Let us approach our taste of reconciliation between India, Pakistan with all the sincerity that we can bring to bear this task.

Q13. last meeting with Mushrraf.

PM. Let me say our last meeting was very tense, it was in the background of what Pakistan had stated in the General Assembly. They talked of self determination and then we were naturally very angry. I said since we are—it is unfortunate that meeting did not produce solid results. This time, my meeting with him was very frank, very cordial, there was no tension and I was very pleased with the outcome.

Q14. Terror structure in Pakistan

PM. We will discuss all these issues. Let's not jump the cue, let this mechanism be in place, we will explore all the ways with which we can rid the sub-continent of the scourge of terrorism.

Q15. Inaudible....

PM. Exteremism of all sorts can hurt modern polities. Tolerance and peaceful coexistence are part of our civilizational heritage. Whether it is hindu fundamentalism or any fundamentalism of other religious group , it certainly makes the task more difficult than would be otherwise.

Q16. On President Chavez reference to South – South commission report.

PM. He did refer to the report that I was a party to and said he was in jail and had read it form cover to cover. He said the time had come to do another report. That report was written in 1990. Times have changed and therefore there are opportunities to re-look at the options. And we as nations and as countries of the South and countries of the Non Aligned do believe that the Non Aligned Movement needs a revision and a new sense of direction.

Q17. Shift in stand ?

PM. There is no shift in our stand. We are worried about cross border terrorism. But its no use condemning that and doing nothing. Where ever opportunities exist to cooperative action to tackle this problem, to save human lives, we should toss all the balls that we can in quest of a safe and secure life for our citizens.

Q18. Extradition.

PM. All relevant issues should be discussed in this forum. I cannot say that I have discussed what will be the outcome. This is an optimism which we must make use of constructively as much as we can. And as for the outcome we have to wait for it.

Q19. NAM revitalization.

PM. The world is yearning for a new road map to deal with its problems. I mentioned to you on my outward journey that at the end of the cold war – there was euphoria in all the developed countries as if capitalism had proved

triumphant and that we were at the end of history. I think that confidence today no longer prevails in most parts of the developed world. There is a sense of insecurity, there is a sense that the world is drifting apart, and that if these tendencies are not corrected, not reversed they threaten to destroy our civilization. So I do believe as I said in my speech to the NAM this is a unique time for men and women of goodwill, understanding and commitment to the ideal of one world and the common destiny-of the entire human race to sit together to find new pathways to bring about peace and harmony on our planet. And I do believe India has a role to play.

Q20. Meetings with Iran president and Venezuelan president

PM. Our bi-lateral relations with these countries. We also discussed international relations and with the President of Venezuela I had a very good discussion on how to promote cooperation in the field of energy. And those prospects if realized can add to our energy security in a big way.

With the President of Iran, I said Iran is our neighbour. We have centuries old ties of civilization, culture with Iran. There has been some misunderstanding over this one particular vote. But I reiterated that that's a thing of the past. And I reiterated to the President that we recognize that Iran as a member of the NPT and must have all the rights for peaceful uses of nuclear energy and all the obligations. And if there are any doubts in the minds of the international community, those doubts should be resolved through constructive dialogue, discussion rather than through any exercise of any degree of coercion. The President agreed that our two countries must work together to strengthen our relationship in every possible way. Reference was made to the Iran-Pakistan-India pipeline. Experts are looking at the feasibility of this pipeline and once that report is ready, we will re-look at what can be done.

Q21. *Mohabat* Zindabad says Musharraf.

PM. I have said I am very pleased with the outcome with the meeting with General Musharraf.

Q22. On Shashri Tharoor's candidature

PM. Wherever I got an opportunity, I raised this issue with heads of state and heads of government that we have an outstanding candidate in Dr. Shashi Tharoor for the post of Secretary General of United Nations. And you would have noticed that contrary to what some people have been writing in our country- he is running very strong. In the last straw poll that

was conducted he came number two. It is a difficult task. For the first time I think we have dared, we have told the world that we are ready to assume our role in the management of international polity. It is not going to materialize in one day. I recognize that there are difficulties-but I remain hopeful that Sashi Tharoor will give a very good account of himself in this task that he is engaged in.

Q23. Visit to Pakistan Foreign Secretary level talks

PM. I have said that I will be very happy to go to Pakistan at an appropriate time, dates will have to be fixed through diplomatic channels and we must also have solid work to accomplish. That invitation has been there and I have accepted it.

And as far as the foreign secretary we have a new foreign secretary – an out standing civil servant – let him settle down and then he will get in touch with his counterpart.

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018. Speech of Defence Minister Pranab Mukherjee at Harvard University on global terrorism.

September 26, 2006.

I am honoured to be amongst this distinguished gathering at America's oldest and most prestigious university, and to share some thoughts with you on India's strategic environment and perspectives. Harvard is a great centre of global intellectual discourse; it has given great personalities and great ideas; great citizens, great teachers and six Presidents to the United States of America. What better place, therefore, could we have to reflect on this important theme!

We live in a time of monumental changes in international affairs. Our strategic environment is in a constant flux. The era of cold war has come to an end. The Soviet Union has disintegrated and the socialist world stands transformed. A new Russia, along with a series of new countries, has emerged in the former socialist space. India, China, and several other medium powers are rapidly growing in capabilities and global influence. Globalization is underway in every continent, knitting together industries and economies across nations and creating a radically different order. The rise of religious fundamentalism and terrorism is today one of the gravest security challenges to states, economies, peoples and democratic polities. It has been starkly etched in our memory by the recent Bombay blasts, the London, Madrid and Bali bombings, and, of course, the traumatic terrorist attacks on the United States five years ago.

There have been huge gains from globalization, information revolution, and steady democratization through the latter half of the 20th century. At the same time there are also enormous pressures on states, both from within and without, because of the simultaneous pulls of these forces. The nature of threats and security discourse are, as a result, radically changing; nontraditional security issues are occupying increasingly greater space in policy formulation, even as the challenge of securing states and the democratic political order from armed fundamentalist and separatist actors confronts us as never before.

India's strategic perspectives have been shaped by its long civilizational history, its geography, its culture and geopolitical realities. The country is both a continental and maritime nation with a territory of over 3 million sq kms, a land frontier of 15,000 kms, a coastline of 7,500 kms, and a population of 1.1 billion, the second largest in the world. Its

location at the base of continental Asia and the top of the Indian Ocean gives it a vantage point in relation to both West, Central, continental and South-East Asia, and the littoral States of the Indian Ocean from East Africa to Indonesia. India's projection into this vast and critically important waterway gives it a major stake in its security and stability.

Traditionally, India has been an open society. It has received and absorbed major influences from outside, like Islam and Christianity, and radiated its composite cultural influences outward. India's civilization, along with the Arab, Persian and Sinic civilizations, influenced many parts of Asia. India has also been a well-spring of human intellectual and spiritual achievement, and the source of the great religious schools of Hinduism and Buddhism. As I have said earlier to another audience in this country, it is customary to talk of strategic perspectives in terms of 'hard' power; however, our strategic perspectives need to be viewed also in terms of India's 'soft power' – those of religion, spirituality, culture and commerce; and in recent times, the political thought and peaceful strategy of Mahatma Gandhi. The coincidence of the commemoration of the 9/11 terrorist attacks in the United States earlier this month with the 100th anniversary of the launching of Gandhi's non-violent civil disobedience movement in South Africa on September 11, 1906, represented a juxtaposition of diametrically opposing ideologies.

Developments from the 17th century onwards fundamentally altered the traditional orientations and moorings of India's relations with the outside world. European mercantilism evolved into the maritime domination of the Indian Ocean, changing the very nature of political, trade and cultural ties between India and its regional maritime partners to the east and the west. Further north, in mainland Asia, it introduced relationships of domination and rivalry between imperial powers, where earlier only local powers played out their dynastic destinies. The legacy left behind for independent India was in some ways negative and disruptive.

Several developments in the 20th century, with their roots in imperial history, affected India's traditional relationships with its neighbourhood. Perhaps the most fateful was the partition of India. Viewed from this perspective, it can be argued that the first half of 20th century was a decided aberration in the evolution of India's historical and traditional relationship with the outside world. The historical experience of the British East India Company, and imperialism in general, left India suspicious of foreign trade. Following India's independence, this led to efforts to build a self-reliant and

autarkic economy, wary of deeper engagement with the world economy. The model stood us in good stead for a while. It helped set up a robust technical and industrial base. Self-reliance gave us self-confidence. This provided the base for the accelerated growth and increasing globalization of the Indian economy since the early '90s when sweeping reforms were adopted by the then Congress Government.

While colonialism disrupted our traditional links, the cold war delayed their restoration. The fall of the Berlin Wall and the end of the cold war has provided an opportunity to recover our traditional, historical linkages that had become weak during the cold war years, and to rediscover our interest in a wider and increasingly integrated global community.

While the growing economic strength of India has attracted worldwide attention, this endeavour is still a work in process. India's major priority today is economic growth, which is inclusive and benefits all sections of society. For most of its history, India has been an open society and an open economy. This is the path it wishes to pursue in the future. India's aspiration for continuing economic growth would depend on a secure and stable environment and its own ability to integrate with the global economy.

In the broad context of this nation-building endeavour, let me touch upon some of our principal security challenges.

The first is the challenge of terrorism. India has suffered the most gruesome and repeated acts of terror since the late 1970s – first in Punjab, then in Jammu & Kashmir, and in recent years in many other parts of our country. The Bombay blasts of 1993 were the original act of mass terrorism. India's places of worship, symbols of its rapid economic growth, its prestigious centres of learning, popular shopping complexes and symbols of its vibrant democracy have all been systematically targeted. While in most parts of the world, terrorism is perpetrated by non state actors, in India it is sponsored and supported by state agencies from a hostile neighbourhood.

Second, since its independence, India has had to fight three wars on its western borders and one in the north. India continues to face a proxy war from across its western border. Its unresolved territorial and boundary issues with neighbours persist.

Third, India has been placed in an arc of proliferation activity running from east to west, which has had an adverse impact on our security situation. The possibility of linkages between proliferation of weapons of mass

destruction and terrorism, which has emerged in recent years, is of great concern for us.

Fourth, the fragile political fabric of states in India's neighbourhood is a source of continuing anxiety. Pakistan remains a nursery of global terrorism. Post 9/11, Pakistan has reportedly helped the United States to fight terrorism along its western border with Afghanistan. But it has done precious little to dismantle the infrastructure of terrorism on its eastern border with India. Many terrorists roam freely in Pakistan. India has repeatedly stated that, in order to proceed with the ongoing peace-process between the two countries, Pakistan must implement the solemn assurances it has given to stop all cross-border terrorism. This has not yet happened. In this context, we welcome the positive results of the recent summit between Prime Minister, Dr. Manmohan Singh, and President Musharraf in Havana, in particular the decision to set up an institutional mechanism to tackle cross-border terrorism. If Pakistan claims to be a frontline state in the global war against terrorism, then it must do much more to dismantle the infrastructure of terrorism still intact on its soil.

On India's northern border, Nepal has been ravaged by Maoist insurgency for many years. Mounting religious extremism in Bangladesh, coupled with illegal migrations, are a source of considerable concern for India. In Sri Lanka, the two decade old ethnic strife has grave political, economic and humanitarian ramifications for India. Thus, developments in these states may pose risks to India and undermine the stable and peaceful environment that India seeks for its own economic growth.

Fifth, India sits astride the Indian Ocean. The security of the entire region from East Africa to Southeast Asia is increasingly challenged by the rising incidence of violent conflict, growing fundamentalism and terrorism. It is also affected by trafficking in arms, drugs and human beings as well as piracy. 60,000 ships carry merchandise and energy from the Gulf to East Asia, through the Straits of Malacca, every year. Therefore, maritime security is a major preoccupation for India as it is for other littoral states in the Indian Ocean.

Sixth, with the Indian economy set on a higher growth trajectory, its demand for energy is, and will be, increasing rapidly. In this context, energy security and security of sea lanes of communication, on which India's trade is dependent, assume significance.

In order to meet the challenges that India faces, it has been focusing on inclusive economic development, strengthening of its defence to deter

aggression; ensuring stability and peace in its neighbourhood; developing friendly and mutually beneficial ties in its extended neighbourhood like West, Central and Southeast Asia; and establishing strategic partnerships with all the major actors in the world, particularly the United States, European Union, Russia, China and Japan. In order to deepen its engagement with Asia-Pacific and ASEAN, it is also pursuing its 'Look East Policy'.

India seeks a stable and strong neighbourhood. Its vision of South Asia is a peaceful and prosperous region where its neighbours see it as an economic opportunity and a partner in progress.

India's nuclear deterrence is a measure of self-defence in a hostile and nuclearised environment. Its nuclear doctrine emphasizes no first use, non-use against non-weapon states, voluntary moratorium on testing and a credible minimum deterrence. India has been, and remains, a staunch advocate of nuclear disarmament and it has had an impeccable track record in the area of non-proliferation.

Beyond its immediate neighbourhood, India has been seeking to establish strong strategic partnerships with the major global players. The end of the cold war, and also its bipolar geopolitical architecture, has enabled India to pursue engagement with all great powers, specially with the United States.

China is India's largest neighbour and developing stable and cooperative relations with it is a high priority for India's foreign and security policy. With frequent high-level exchanges, including my recent visit to China, the process of building trust and understanding has gained momentum, and our cooperation has diversified across a wide range of areas. Our relations with China have reached a certain degree of maturity. We are both keen to build significant ties and identify newer areas of mutually beneficial cooperation. At the same time, we are striving to address our differences in a proactive and purposive manner, without allowing them to affect the comprehensive development of our relationship. As China grows in power and influence, it will shape our strategic environment in a variety of ways. India's policymakers understand this reality and would evolve policy options to deal with the emerging situation. We look forward to intensifying the positive aspects in our relations where President Hu Jintao pays a visit to India later this year.

Our ties with Japan are also expanding rapidly. Japan plays a major role in our development programmes through its Overseas Development

Agency. In recent years we have stepped up our defence and security ties, based on the premise that all countries and regions need to cooperate actively in order to tackle effectively the evolving global challenges. I have recently been to Japan, where I had the opportunity to discuss in detail a range of issues with my counterpart and some of his senior Cabinet colleagues.

India has an institutionalised summit level dialogue with ASEAN, with which it has land and maritime boundaries. India's trade, security and energy ties with East Asia and the Pacific region are set to grow rapidly in the coming years. Southeast Asia and China are already two of our largest trading partners in this region, and South Korea and Japan among the leading investors in our country.

Building strong and cooperative relations with the United States is one of the fundamental goals of India's current foreign and security policy. The growing warmth between the two countries is based on shared values and common concerns. The US remains the dominant global power and central to peace, prosperity and security of the world. India believes that the emerging ties with the US in trade, investments, technology, defence, energy, nonproliferation, and counter-terrorism would have a major impact not only in the bilateral domain but also in a global perspective. Our partnership will also help shape global norms and institutions that are universally accepted and democratic. Clearly, Indo-US relations are set to emerge as one of the fundamental inter-state ties of the 21st century.

In this context, the decision of President Bush and Prime Minister Dr. Manmohan Singh, to address the shared challenge of energy security by engaging in full civil nuclear energy cooperation, is a welcome departure from the era of technology denial regimes imposed on India. India is now seen as a partner and not as a target of global non-proliferation efforts, precisely because its impeccable record in this regard is now fully acknowledged.

Our traditionally close ties with Russia have withstood the test of time. We greatly value our strategic partnership with that country, based on shared interests, mutual trust and benefit. The strength and stability of our relations are manifested by long standing defence cooperation and common concerns on issues such as international terrorism.

The European Union has emerged as another major global partner with which India has a summit level dialogue, based on strong shared

interests across a range of political, security and economic issues. We look forward to the steady strengthening of our close cooperation with our European partners, including France, Germany and the United Kingdom.

India has been fighting terrorism for many years. This challenge is complex on account of cross-border linkages. However, India rejects any linkage between terrorism and religion. India's secular Constitution, entitles all its citizens the freedom of religion. Personal laws on marriage and inheritance are based on traditional religious codes. Our Constitution draws a clear line between state and religion. The tradition of religious tolerance and moderation remains strong in Indian society, despite occasional aberrations. In the struggle to contain and eliminate terrorism, India has sought to strike a balance between security imperatives and political measures. The cost to our security forces has been high but the political battle will be won. It is our belief that both in Jammu & Kashmir and in the North-East, stability, peace and reconciliation would be restored in the coming years.

Much will depend on the success of the ongoing peace process with Pakistan and its approach towards support to terrorism and irregular warfare both in India and Afghanistan. International pressure would have to remain on Pakistan to change, and to reform and democratize its polity. This would clearly be among the foremost tasks in international security in the coming years, and an area in which India hopes to work closely with other partners.

India has willingly contributed its naval capabilities to help safeguard the vital sea lines of communications that stretch from the Gulf of Hormuz to the strategic Malacca Straits. Towards this objective, we are actively cooperating with friendly navies in the region. India has backed a major security initiative to monitor shipping, mooted jointly by Indonesia, Singapore and Malaysia to enforce "compulsory pilotage" of the channel against pirates and maritime terror. India, as a major user-state, is willing to assist in the project and share its expertise in maritime security with nations of the region. With more than 50 per cent of India's maritime trade passing through the channel, security of the Straits is important for us.

India has always sought a nuclear weapon free world and is determined to work with others to achieve the objective of universal and non-discriminatory nuclear disarmament. As this is a long term objective, India is willing to take interim steps to reduce the risks of nuclear weapons. At the current UNGA session, India will present a comprehensive paper on

nuclear disarmament, calling for early multilateral negotiations on a universal and non-discriminatory treaty banning the development, production and use of nuclear weapons, on the model of the Chemical Weapons Convention.

India does not harbour any territorial ambitions. It does not wish to impose any ideology on others, except to advocate peaceful co-existence and tolerance. India's strong military, its maritime capabilities, and its nuclear deterrent are for self-defence and its highest national priority is rapid economic development. India is an open society and an open economy, and a vibrant democracy that is rapidly integrating with the world. It has the second largest Muslim population in the world that has rejected distorted notions of jihad and begun to embrace modernity like all other sections of Indian society. All the different segments of India's society remain wedded to the ideals of secularism. India aspires to play an increasingly larger role in ensuring peace and prosperity in its neighbourhood, in a new and resurgent Asia that is likely to eventually emerge as the world's economic and strategic hub.

Before concluding, I take this opportunity to express my sincere appreciation of the efforts being made by Harvard University to further promote studies on India and thereby contribute to closer understanding and stronger relations between India and the United States of America.

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019. Speech of Prime Minister Dr. Manmohan Singh at the Combined Commanders' Conference.

New Delhi, October 18, 2006.

Let me begin by paying tribute to the Jawans and officers who defend our borders. I express to all of you our nation's gratitude. Since I spoke to you a year ago, the armed forces helped to evacuate stranded Indians from Lebanon, and undertook flood relief operations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Chhattisgarh, and Jammu & Kashmir thus amply vindicating the trust our nation has reposed in our gallant armed forces.

When I spoke to you last year, I discussed the role of the armed forces in India's task of modernization. Our security policy in the emerging global order is a reflection of our national purpose and of our search for peace and security within which to strengthen India economically, socially and technologically. Developing adequate defence capability and science and technology to meet all the contemporary challenges to our security is critical in this effort. And also to develop strategic partnerships, which enlarge our policy choices and improve our development prospects. It is this wider context and higher sense of purpose, which must guide our day-to-day decisions.

We are today in a situation where the pursuit of national interest requires the use of an integrated approach combining political, economic, military and other levers of both soft and hard power.

In overall terms, we face a world of unprecedented economic opportunities, and, at the same time, unprecedented political dangers. To navigate our way through these, calls for statecraft of the highest order.

Developing a national security strategy today is thus an increasingly complex intellectual challenge. The complexity is increased because we seek our goals in a rapidly transforming international context. The world today is moving towards multi-polarity in economic, cultural and most non-military spheres. Even political power is becoming more diffuse. Larger forces of technology and science are re-ordering the distribution of power in the world. Technology has empowered non-State actors to the point where terrorism is a major trans-border threat in many countries.

Similarly, the spread of science has led to the emergence of weapons

of mass destruction, most recently seen in its manifestation in North Korea, thus changing the regional balance of power and threatening trans-regional consequences. The transformed security challenges now include anarchistic ideologies, communalism of various kinds, threats from pandemics, and terrorism over and above conventional threats.

International terrorism is the principal challenge today to plural and democratic societies. It not only destroys human life and property but also endangers democratic values, social harmony and economic well-being. Terrorists are becoming increasingly sophisticated in the way they deal death and destruction. Our armed forces have to also deal with insurgents in difficult terrain. There is, thus, a necessity for us to upgrade our capabilities, which have traditionally been geared towards conventional threats, as well as our surveillance and interdiction systems.

Internationally, we have taken a firm stand that the fight against terrorism has to be long-term, sustained and comprehensive. It cannot be ad-hoc, selective or compartmentalized in terms of region, religion or organizations. Terrorist networks sustain themselves due to acts of commission or omission by states. Our strategy cannot be restricted only to the perpetrators of terrorist acts but should also seek to modify the behaviour of the states where terrorists find safe haven, sanctuary and material sustenance.

Interdependence between nations has grown exponentially. Ironically, the same communication and information technologies that have made terrorism a global threat have also eliminated borders to international capital and ideas.

Reorienting our strategic thought to deal with this complexity and to ensure our core national interests is a major challenge that faces us all. In concrete terms it must express itself in a re-working of our relations with the major powers and in our immediate neighbourhood.

Essential to our quest for a modern India true to its genius is a peaceful and prosperous periphery. I have often said that the countries of South Asia have a shared destiny. We can, to an extent, help create such thinking by giving our neighbours greater stake in our economic prosperity. We must be willing to make necessary adjustments in our domestic policies to accommodate this.

The fact, however, is that we live in a dangerous and unstable

neighbourhood. Within the sub-continent itself, we face problems of uneven development and its consequences. We cannot afford to see States fail. Political stability and a focus on human development in the region are in our strategic interest.

We have put Pakistan on notice that any democratic government of India would find it difficult to continue on the present path of addressing all outstanding issues unless the Government of Pakistan clearly deal with the issue of terrorism. The India-Pakistan Anti-Terrorism Institutional Mechanism will be a test of Pakistani intentions and capabilities to implement the assurances that they have given us since January 2004. The economic pull on migrants from Bangladesh of the Indian market offers opportunities to our enemies who seek to incite terrorism in India. And yet the overarching imperative for both Bangladesh and India is to find a pattern of cooperative engagement, which can convert recent economic successes to improve welfare for people on both sides of the border. This will change the economic imbalance, which is causing some of the difficulties that we face with Bangladesh.

Sri Lanka has recently seen an escalation of the civil war and there is still no clarity on whether both sides will live upto their professed desire for meaningful negotiations on a federal solution of Sri Lanka's problems.

With China we have made a good beginning in addressing the border dispute and in creating mutual trust in a peaceful bilateral relationship. RM's recent visit added another dimension to our multi-sided engagement with China, which is predicated on the recognition that these two rapidly developing and transforming nations need to come to terms with the rise of one another.

A critical aspect of our policy must be the rapid development of infrastructure in our border areas. This is now recognized to have major implications not only for our internal security but also as a force multiplier when it comes to our external security. The role of the military in this crucial area of our policy is central across vast areas of our borders.

India's transformation over the last few years has also meant that our stakes in the world and our interdependence with the world has increased exponentially.

Our lines of communication which need to be protected are today not just the maritime links that carry our foreign trade and vital imports, but

include our other forms of connectivity with the world. None of this is possible without an active process of security cooperation with like-minded nations and littoral countries.

When we look at our extended neighbourhood we cannot but be struck by the fact that India is the only open pluralistic democratic society and rapidly modernizing market economy between the Mediterranean and the Pacific. This places a special responsibility upon us not only in the defence of our values but also in the search for a peaceful periphery. We have traditionally conceived our security in extending circles of engagement. Today, whether it is West Asia, the Gulf, Central Asia or the Indian Ocean region, there is increasing demand for our political, economic and defence engagement.

We, as the Government, have the will to undertake this new responsibility that devolves upon India. For instance, we need new and creative solutions to the security and development issues that we face in Afghanistan where our efforts to help the Afghan people arouse reactions from the Taliban and their sponsors who are still seeking to put the clock back.

We need to build our nation's capacity to undertake these new responsibilities. The armed forces of India are a major component of that capacity. Given the complex nature of our national security we must ensure a balanced development of our defence capability. Our army, navy and air force are in need of modernization. We need a modernization strategy that enables each of the forces to develop to the level required by the imperatives of our evolving defence doctrine. In pursuing that modernization, we seek the optimal blend of developing and producing indigenously and sourcing from elsewhere.

Our growing economic engagement with the world, especially the region around us, and the requirements of energy security will necessitate strengthening of our naval defence capability. Maritime security is gaining increasing salience in our strategic policy. Equally important is high quality air power so that we can strike with speed and accuracy, when required.

As we look at the components of state power in the 21st Century in terms of our comprehensive national power, we will have to find new and imaginative means of integrating our economic, technological and defence needs. The Defence Ministry has recently taken several steps to do so. One is the introduction of transparency in defence procurement, introducing

the Defence Procurement Procedures of 2006. The other is to address long-term proposals from an indigenous viewpoint, thereby giving a fillip to Indian industry.

The third is the new Defence Offset Policy for procurements. Transparency in procurement is a desirable objective both from the viewpoint of good governance and national security. Reports critical of such processes can demoralise the services, where they are untrue, and must be directly addressed, where they are true.

I appreciate the steps being taken to promote 'jointness' in thinking, jointness in planning and jointness in action. This assumes even greater relevance as we invest more in our naval and air capabilities and develop a modern and well-equipped navy and air force. The three services must work together to pack punch and ensure maximum impact in action.

The setting up of the Indian National Defence University (INDU) and the Joint Doctrine for the Indian Armed Forces must translate into joint training and into operational level joint doctrines. The INDU must act as a catalyst in promoting strategic policy analysis and planning. It must contribute to the development of long term strategic thinking.

India today is increasingly integrated into the world and has a renewed capability to deal with it. If our economy continues to grow I am confident we can find the means to meet the needs of our armed forces for equipment and other purposes. If our interests have grown so have the means available to us. Internal security is today a larger concern for us than direct external threats. In fact, the most virulent manifestation of the major external threat that we face is in its internal forms, as we saw in Mumbai in July.

The challenge for us is to show the wisdom to deal with this rapidly evolving situation. Our Government will consistently give the armed forces priority attention whether in terms of their equipment or supplies or in terms of service related issues. In conclusion let me, once again, congratulate all of you on your professionalism and dedication on behalf of a grateful and proud nation.

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020. Press Conference of Pranab Mukherjee on taking over charge of the Ministry of External Affairs.

New Delhi, October 25, 2006.

EXTERNAL AFFAIRS MINISTER (SHRI PRANAB MUKHERJEE):

I am happy to be back to this room after almost ten and a half years. I left this room in May, 1996. Of course, all of you are aware a lot of stories and speculations were going on, but now it has come to an end.

I am fully aware and conscious of the responsibilities of steering the foreign policy of this great country, particularly at this moment when we are poised for playing a more important role and taking our rightful place in the comity of nations.

What is our objective? After all the foreign policy of a country is the extension of its national interest. Keeping that in view, our objective is to have sustained economic growth in the range of nine to ten per cent during the Eleventh Plan and a higher growth level during the Twelfth Plan on a sustainable basis. For that we require investment, we require technology, access to technology, and we also require – what is most important - to have peace and tranquility in our periphery and desirably all over the world.

Why I say all over the world is because if there be instability in one part of the world - in today's context when the world is fast emerging as a real global village - it would have its impact on other parts. Therefore, in one word, to achieve our objective of attaining higher growth syndrome we require investment and technology, of course, state of the art. The precondition of attaining this higher growth is peace and stability in the region and in the world. Our foreign policy would be directed to achieve these objectives. Thank you.

QUESTION: I have a question specifically on the problem of terrorism that we have in our country today. A lot of it is rooted in Bangladesh. Bangladesh is fast emerging as the hub of terrorist activities in this region. Do you plan to talk to the Bangladeshi leaders and put some kind of force on them so that they curb and crack down on these elements whose activities are inimical to India's interest?

MINISTER OF EXTERNAL AFFAIRS: It is not a question of applying force on any country. Every country is a sovereign country. But we have already taken this up with Bangladesh. Apart from taking it up at the officials'

level during the talks between the Defence Secretaries and Foreign Secretaries of the two countries, when Prime Minister Begum Khaleda Zia visited our country last time, we had a detailed discussion. In fact, in the discussion I myself was present. Of course in a different capacity, wearing a different hat, but nonetheless the issue was security and terrorism. We discussed this issue. We suggested to Bangladesh Government that it is in the interest of both the countries that the fundamentalist forces who are indulging in terrorist activities and violence should be curtailed.

QUESTION: There have been a lot of comments on whether India has credible evidence or not on the Mumbai bomb blasts vis-à-vis Pakistan and the ISI. What is the real situation vis-à-vis what is happening with Pakistan on this particular event and also generally with relations with Pakistan? What do you think is your view on the reaction this side? ... (inaudible)...

MINISTER OF EXTERNAL AFFAIRS: My view cannot be separate from the view which we have taken and which we are pursuing already. I am a part of the Government. So far as the evidence is concerned, our law enforcing agencies have gathered certain evidence and we will share that evidence with the Pakistani authorities.

As we cannot alter our neighbour, it is desirable to live with our neighbour in peace and to create a tension-free situation on our borders, amongst our neighbours in the region. Thank you.

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021. Statement by Minister of State E. Ahamed at the General Debate of the Sixth International Conference of New or Restored Democracies.

Doha, October 31, 2006.

Your Excellency Mr. Chairman,
Excellencies and Distinguished Delegates,

At the outset, I would like to congratulate the State of Qatar, on behalf of the people and Government of India, on its assumption of the Chairmanship of the International Conference of New or Restored Democracies. I would also like to express our sincere thanks and appreciation for the warm hospitality extended to me and my delegation by our gracious hosts since our arrival here.

It is a great honour for me to represent my Government at this Conference hosted by Qatar, a country with whom India has traditionally enjoyed warm and friendly relations.

I would also like to compliment Mongolia for its active and fruitful stewardship of the ICNRD during the last three years of its Chairmanship.

Mr. Chairman,

It is important to share experiences on democratization and to identify means by which to promote pluralistic and participatory democracy. In this respect, the significance of this Conference can hardly be overemphasized. The very fact that the participation in ICNRD has grown from 13 countries since the first conference held in Manila in 1988 to well over 100 countries, underscores the importance attached by a growing number of member states to the principles and purposes of the Conference and the success of this initiative.

Mr. Chairman,

As the world's largest democracy and a country with well-established democratic institutions and practices, it is natural for India to support forums that recognize and seek to promote democratic governance. India is strongly committed to the underlying values and principles inspiring this Conference and it is in this spirit that we participate in fora like the one which brings us together today, or other similar initiatives. As a country with a long history and strong traditions of Parliamentary democracy, it is particularly heartening for India that a Parliamentary Forum is being organized in conjunction with

this Conference. The Hon'ble Deputy Speaker of Lok Sabha is representing our Parliament at that Forum.

Mr. Chairman,

India's commitment to democratic values and processes predates our independence in 1947. The Father of our Nation, Mahatma Gandhi had called for universal adult franchise as early as 1931, long before India became independent. Our political leadership remained true to this commitment and the Constitution we adopted after Independence enshrined democracy based on free and fair elections and the associated principles including freedom of expression and political activity, tolerance of dissent, protection of human rights and the Rule of Law. The Indian democracy draws its inspiration from India's civilisational ethos, the hallmarks of which are freedom, tolerance, mutual respect and diversity. Our society today is the culmination of centuries of assimilation of diverse peoples and ethnic groups. All the major religions of the world are represented in India. We have a tremendous diversity of languages, customs and traditions. The founding fathers of our Constitution were fully mindful of this rich civilisational legacy in their endeavours to provide a policy and legal framework for an India which achieved freedom through non-violent means 59 years ago and adopted a democratic polity as a natural choice to meet its trust with destiny.

The real test of a democracy is not in what is said in the Constitution, but in how it functions on the ground. Free and fair elections are the foundation of a democracy. Over the past six decades, governments in India, at both the national and state level, have regularly sought the mandate of the people through elections. Our elections are conducted under the supervision of a statutory independent Election Commission, which has earned respect for its fairness and transparency, both at home and abroad. The conduct of General Elections in India for electing a new Lower House of Parliament (Lok Sabha) involves management of the largest event in the world. The electorate exceeds 670 million voting in nearly 800,000 polling stations spread across widely varying geographic and climatic zones. Polling stations are located in the snow-clad mountains in the Himalayas, the deserts of the Rajasthan and in sparsely populated islands in the Indian Ocean.

Mr. Chairman,

We believe that democracy based on universal adult suffrage empowers the most humble citizen of our country and give him a sense of dignity. Poverty, illiteracy or socio-economic backwardness does not

hinder the exercise of democracy. Quite the contrary, our experience of more than 50 years of democratic rule demonstrates how democracy is a most powerful tool to successfully overcome the challenge of development. But most of all, democracy alone gives the assurance that the developmental aspirations of the poorest citizens of our society will be taken into consideration. This above all, is the unique strength of a democratic system.

India has demonstrated that stable, long-term growth can be successfully realized alongside a thriving democracy, which leads to significant reduction of poverty and equitable distribution. Indeed, the Indian experience corroborates the inter-linkages and shows that implementation of proactive development policies and economic reforms, when coupled with a liberal democratic polity, leads to overall stability and growth.

Democracy and development are complimentary to, and reinforce each other. Both of them find their genesis in the aspirations of individuals and in the rights they enjoy. History has clearly demonstrated that cases where democracy and development have been divorced from each other have mostly ended unsuccessfully. Wherever they have co-existed, they have flourished in unison, enabling both concepts to take durable roots. Political democracy, in order to consolidate itself, needs to be complemented by economic and social measures that encourage development. The principles of democracy and the rule of law are also equally relevant for ensuring economic progress and human development, and for complete elimination of poverty. Timely achievement of the United Nations Millennium Development Goals (MDGs) is a key step towards meeting the needs of the humankind in the 21st century. This requires determined efforts by all concerned to fulfill their respective obligations.

Mr. Chairman,

Terrorism anywhere threatens peace everywhere. Our problems are global, so must our solutions be. While the promotion of democratic values and institutions cannot always be a complete antidote against the proliferation of terrorist organizations and practices, it is safe to say that the development of stable and consolidated democracies makes a very positive contribution to the medium and long-term strategies in the global efforts to combat the scourge of terrorism. Therefore, democratization is one of the effective ways of addressing the global challenge of terrorism.

Mr. Chairman,

We know from experience that democratic societies, which guarantee individual freedom and tolerance of dissent, provide an environment most conducive to creative endeavour, and the establishment of socially just societies. We, therefore, have an obligation to help other countries that aspire for the fruits of democracy. Democratic societies with established institutions must help those that want to strengthen democratic values and institutions.

Being a developing country with a diverse and heterogeneous polity, India is in a unique position of not only understanding the problems that a developing country taking its first steps towards democracy may face, but of also suggesting a whole range of approaches and solutions based on its own experience. India has been sharing its rich experience, institutional capabilities and training infrastructure with nations that share our values and beliefs and are interested in our assistance.

Mr. Chairman,

We have offered to share our experiences and undertake collaborations with other countries under the auspices of the United Nations Democracy Fund launched during the World Summit in New York in September, 2005. We had strongly supported the creation of this fund to which we have made an initial contribution of US\$ 10 million. We are ready to share our experiences and expertise for projects under the UN Democracy Fund, especially in areas such as institutional building, capacity building, awareness creation and leadership development. We shall be glad to develop partnerships with interested countries in the ICNRD in this framework. Considering that some of participants of the ICNRD process are also members of other groupings with which India has an active cooperation such as SAARC, ASEAN, African Union, the Commonwealth and the Community of Democracies, there is considerable potential for us to work together.

Mr. Chairman,

Allow me to conclude my remarks by describing the vision which we have for a better world in the words of a great son of India, Gurudev Rabindranath Tagore and I quote:

“Where the mind is without fear and the head is held high, Where knowledge is free, Where the world has not been broken up into fragments By narrow domestic walls, Where words come out from

the depth of truth Where tireless striving stretches its arms towards
perfection, Where the clear stream of reason has not lost its way
Into the dreary desert sand of dead habit, Where the mind is led
forward by thee Into ever-widening thought and action Into that
heaven of freedom, my Father, let my country awake”.

Thank you, Mr. Chairman

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022. Address by Prime Minister Dr. Manmohan Singh at the high level segment of the 18th meeting of Parties to the Montreal Protocol.

New Delhi, November 2, 2006.

I am delighted to be here at your meeting. On behalf of the people and Government of India, and on my own behalf, I extend a warm welcome to you all to this High Level Segment of the 18th Meeting of the Parties to the Montreal Protocol. I hope we are able to provide you a conducive environment for a purposeful and fruitful conference.

India's approach to the challenge of the protection of our environment was shaped by the very wise and perceptive observations of our former Prime Minister, Mrs. Indira Gandhi, who told the United Nations Conference on the Human Environment in 1972 that "poverty was the worst polluter".

In saying so, Prime Minister Indira Gandhi launched a global debate on the relationship between poverty alleviation, economic growth, and environmental conservation. In the years since then, an organized structure of multilateral agreements and institutions for realizing the goal of sustainable development has been developed.

It is this perspective of Indira Gandhi that also defines our own National Environment Policy, which we adopted earlier this year. Our policy says, "while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependant on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource".

To liberate people from poverty, to ensure the well being of all citizens, to provide employment for all, and yet pursue a sustainable development path that preserves and protects our common natural heritage - that is the challenge before humanity as a whole.

India has participated in major international events on the environment, since 1972. We have contributed to, and ratified several key multilateral agreements on environmental issues recognizing the trans-boundary and global nature of environmental problems and concerns, and their implications for long-term development. We have also participated in numerous regional and bilateral programmes for environmental cooperation.

Environment is something which unites the entire humankind because the entire humankind faces a single common environment. We also provide assistance to other developing countries, particularly for scientific and technological capacity building. We seek to help other countries meet their commitments under various international and regional environmental treaties.

At the national level too, we have set up an effective regime of policies, regulations, programmes, and scientific capacity for addressing sustainable development issues. Our national regime for sustainable development seems to have had a positive impact on our development process. Consider the fact that while in industrialized countries, key environmental parameters reversed their decline at per-capita incomes of \$ 6,000-8,000 in Purchasing Power Parity terms, in India, this decline has been reversed at a per-capita income of \$ 2,000 in Purchasing Power Parity terms. This is by no means a mean achievement.

The depletion of the Ozone Layer has emerged as a significant global environmental concern in the last few decades. In 1985, the Vienna Convention established mechanisms for international cooperation in research into the Ozone Layer and the effects of Ozone Depleting Substances (ODSs). Thereafter, the Montreal Protocol on Substances that Deplete the Ozone Layer was agreed upon on 16th September 1987. It was a binding multilateral treaty to protect the ozone layer by reducing to predetermined levels, global emissions of Ozone Depleting Substances. However, ratification by developing countries did not proceed rapidly, until the Protocol was amended in London in 1990.

We believe that the Protocol is successful in implementing a global phase-out plan for Ozone Depleting Substances. By and large, the national action plans and phase-out schedules have been adhered to. India has fulfilled, without exception, all our obligations under the Protocol. Indeed, we have done so in the case of all other multilateral environmental agreements we are party to. This has been done within the timetable laid down and, in some aspects, before the promised schedule. What are the reasons for our success in this arena? What lessons does our experience hold for the design of other multilateral agreements on the global environment? First, the treaty was preceded by strong scientific consensus about the causes of the problem; clarity about responsibility for the problem; the availability of mitigation technologies at reasonable cost; and, fairly accurate knowledge about the extent of resources needed to address the

problem. Second, and this is the key shift that occurred in the London amendment, the eventual entitlements to Ozone Depleting Substances on a per capita basis between developed and developing countries are identical.

Third, there are explicit financial arrangements set out, for meeting the incremental costs of changes in technology in, and transfer of technology to, the developing countries. These contributions are generally in line with the Principle of "common but differentiated responsibility and respective capabilities", and contributions from developed countries are voluntary. However, in terms of the realization of broader goals of sustainable development in developing countries, which must be a principal objective of multilateral environmental agreements, the Protocol could have done better. I say this because technology transfer has not occurred to any significant extent.

I am not referring to the simple sale of capital equipment embodying the technology, and related training in operations. Rather, I am talking about the development of capacity in developing countries to manufacture and further develop capital equipment they require. A provision in the Protocol that enables the use of trade restrictions to ensure compliance is also a source of concern. While fulfillment of commitments in multilateral environmental agreements by all Parties must certainly be ensured, the use of trade restrictions is in my view, not advisable. Such restrictions may adversely impact economic growth prospects and poverty alleviation efforts. We need to be more creative and less adversarial in our approach to compliance. Let us not seek trade advantages through the instrument of environmental treaties. This would nullify gains for developing countries accomplished after strenuous negotiations in the World Trade Organisation regime.

Let us not trim the flow of multilateral and bilateral resources for poverty alleviation to accomplish unrelated environmental objectives. Let us, instead, ensure that the financial and technological resources needed to accomplish agreed environmental objectives, consistent with growth and poverty alleviation strategies, are indeed additional. And that they are administered efficiently through dedicated and well tried out mechanisms. I urge you to approach the global environmental agenda keeping in mind these lessons. India is a multi-cultural, multi-religious, multi-lingual and multi-ethnic nation, a country of over a billion people seeking their salvation within the framework of an open society and an open economy committed

to respect for all fundamental human rights and also committed to the rule of law.

The success of our experiment in nation building within the framework of a democratic polity, I believe, is vital to the future of mankind. If we are able to eliminate poverty, provide gainful employment to all and do this while protecting the environment, we would have shown a new path to sustainable development. It is therefore, imperative that we make the process of economic development more inclusive, make processes of globalisation more inclusive and make our societies and polities more inclusive. In doing so we can, I daresay, ensure that the harmony between man and nature is sustained for all times.

I do hope that the key Principles of sustainable development that inform the negotiations of the Meeting of Parties recognize the vital importance to humankind of finding a consensual means to address our common problems. I started by saying that the environmental concerns unite the entire humankind. I wish you all success in your deliberations, which have a vital bearing on the future evolution of humankind in this 21st century that we are going through.

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023. Interview of External Affairs Minister Pranab Mukherjee to the TV channel CNN-IBN.

New Delhi, November 2, 2006.

Karan Thapar : Hello and welcome to Devil's Advocate. As attention starts to focus on India's relationship with China and United States, those are the two key issues I shall raise today in an exclusive interview with External Affairs Minister Pranab Mukherjee.

Mr Mukherjee, let's start with the Chinese President's visit to India, which has just been concluded. The joint declaration says, "International civilian nuclear cooperation should be advanced through innovative and forward-looking approaches while safeguarding the effectiveness of international non-proliferation principles." Do you interpret that as an endorsement of the Indo-US nuclear deal?

Pranab Mukherjee : No. After all we are also for non-proliferation. At the same time, what is being done with India, especially with regard to the Indo-US nuclear deal, they are giving a special treatment to India because of India's track record related to non-proliferation.

Karan Thapar : So, you're saying that China has not endorsed it?

Pranab Mukherjee : No. China has endorsed it. I am just explaining the 'innovative' word.

Karan Thapar : So, when officials of your ministry have given an assessment to The Hindu, as they did on Friday, to say that China will not come in the way of any decisions of the Nuclear Suppliers Group to lift restrictions on international civilian nuclear cooperation with India," you agree with that agreement?

Pranab Mukherjee : I hope so.

Karan Thapar : When you say hope so, is there some doubt? Is there some uncertainty?

Pranab Mukherjee : No. There is no uncertainty. I hope that they will not come in the way.

Karan Thapar : So you're conPranab Mukherjee : We shall have to recognise the fact that different countries have different relationships with different countries, keeping in view their own perspectives. Relationship of

one country need not stand in the relationship of the other country. Therefore, we shall have to keep that fact always in view while assessing the relationship between two countries.

Karan Thapar : Very interesting. Most people will interpret that to mean that if China does give Pakistan a nuclear deal similar to the Indo-US nuclear deal, India will have no objection?

Pranab Mukherjee : It's not a question of my objection or non-objection. It's a question of what happens in the ground reality. Therefore, we shall have to keep in view... For instance, Pakistan is being supplied with sophisticated weapons by the USA over a long period of time. India is getting military hardware from Russia. But that didn't stand in the way of building up closer relationships with each other.

Karan Thapar : I think your point is perfectly clear. I won't push you further. People will interpret it as they want. Indian newspapers have reported that in his one-to-one conversation with Prime Minister Manmohan Singh, President Hu Jintao indicated that China would accept and even support India's claim to a permanent seat in the United Nations Security Council. Can you confirm that such an indication was given by the Chinese President?

Pranab Mukherjee : Look, the talk was one-to-one. Therefore, you cannot accept what appears in the newspapers. Because none of these two, who had one-to-one talks, said anything about whether China will support or China will not support India's candidature to a permanent membership in the Security Council.

Karan Thapar : So the newspaper reports are purely speculative?" They're not based on fact?

Pranab Mukherjee : Of course.

Karan Thapar : Of course?

Pranab Mukherjee : Of course, speculative.

Karan Thapar : They are not based on fact?

Pranab Mukherjee : Of course speculative, and if it is speculative, it cannot be based on fact.

Karan Thapar : How would you sum up the visit that just ended? Would you say that it was a success? Confident that China will not come in the way?

Pranab Mukherjee : Why are you playing with words? In diplomacy, we don't play with words. What we say is we wait till the official outcome comes.

Karan Thapar : But you are confident?

Pranab Mukherjee : I am confident.

Karan Thapar : There is a lot of speculation that China might end up offering a similar nuclear deal to Pakistan. So far in the newspapers, there is no mention of it. But if it were to have been offered quietly and not made public, would you be concerned?

Pranab Mukherjee : We shall have to recognise the fact that different countries have different relationships with different countries, keeping in view their own perspectives. Relationship of one country need not stand in the relationship of the other country. Therefore, we shall have to keep that fact always in view while assessing the relationship between two countries.

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Karan Thapar : How would you sum up the visit that just ended? Would you say that it was a success?

Pranab Mukherjee : It was a reasonably satisfactory meeting. I must say that after 10 years, the Chinese President visited India. We have achieved certain positive achievements. For instance, the bilateral trade. The target has been fixed to reach \$40 billion by 2010. It has been recognised, and repeatedly the Chinese President referred in his public utterances that India-China friendship and close relationship is essential for global stabilisation and regional stabilisation.

Karan Thapar : In which case, why do you call it only reasonably satisfactory? Why that qualifying adjective?

Pranab Mukherjee : I think 'reasonably satisfactory' is quite a good word.

Karan Thapar : All right. Many people would say that sounds like half-satisfactory.

Pranab Mukherjee : No. Full satisfaction.

Karan Thapar : But you still call it reasonable?

Pranab Mukherjee : Reasonable, because satisfaction can't be unreasonable.

Karan Thapar : Let's move beyond relationships and let's talk about China's role in the region as a whole. In the last 10-15 years, China has been building a string of what they call 'Pearls'. These are basically military and naval facilities, which they have built in the Cocoa Islands, Burma,

Bangladesh, Pakistan, Sri Lanka, Seychelles and Mauritius. In addition, China repeatedly talks about Indian Ocean as its next frontier. And then on top of all of this, China has perhaps as many as 5,00,000 troops in Tibet, which is perhaps one Chinese soldier for every 15 Tibetans. It has 14 airfields, 10 missile bases and a growing stockpile of nuclear weapons. How do you view all of that?

Pranab Mukherjee : What should I view about it? Every country is entitled to prepare its defence preparedness as per its own threat percept.

Karan Thapar : Can I interrupt?

Pranab Mukherjee : No. As I am entitled to prepare myself to secure and my defence preparedness should be up to the mark to meet my requirement of my own threat perception. Similarly, any other country will have its own threat perception.

Karan Thapar : What threat perception requires China to set up naval and military bases in the Cocoa Island, in Seychelles, Mauritius, in Sri Lanka?

Pranab Mukherjee : That is for them to decide, not for you and me.

Karan Thapar : Let me quote you M K Rasgotra, the Convenor of your government's National Security Advisory Board. Speaking to CNBC this week on Monday, he said: "The effect of this is that it generates in any thinking Indian the feeling of being encircled" and then he added, "This string of 'Pearls', is heavy to wear." Do you agree with him?

Pranab Mukherjee : First of all, let me not comment on what somebody else has stated. The relationship between India and China is important to me and we ought to build on this relationship. We have to advance it. We have to progress further. I'm not entering into an academic debate about the defence preparedness of China vis-à-vis India's defence preparedness.

Karan Thapar : Your predecessors in this office, and particularly your predecessors in your last office as Defence Minister, were particularly worried about China's military planning and strategy in the Asian area. Are you worried?

Pranab Mukherjee : So what? I'm not worried because I'm quite confident that I will be able to defend myself.

Karan Thapar : It's also been said that parallel with China's military developments are political developments. It has extremely close connections with Burma, Bangladesh, Nepal, Pakistan and Sri Lanka, the Maldives and of course Pakistan. Vikram Sood, a former head of RAW, has written in The Hindustan Times this week, "The game to restrict India to the Asian subcontinent remains Chinese policy. Do you agree with this?"

Pranab Mukherjee : I do not believe in their containment policy. We have gone one step beyond that. We have invited China to be the observer of SAARC, which they were not earlier. This is an indication of enlargement of cooperation, not a policy of containment of anybody.

Karan Thapar : So you don't think China intends strategically, tactically to contain India?

Pranab Mukherjee : What China intends, what China thinks will surely be taken into account in my strategic consideration. But surely, it's not for academic debate.

Karan Thapar : You say that you have taken this into account for strategic considerations, but a whole lot of strategic experts, including former foreign secretaries, former Army Chiefs...

Pranab Mukherjee : I'm sorry, they are all formers

Karan Thapar : But only formers can speak. Present ones can't speak.

Pranab Mukherjee : Yes. That's why you cannot expect me to speak. Only formers can speak. Present incumbent cannot speak.

Karan Thapar : Let me put to you the nub of the point they make. They say that in its relationship with China, India ends up being defensive, India ends up being reactive. Instead, India needs to be more assertive.

Pranab Mukherjee : I don't agree with that.

Karan Thapar : Let me give you an example. In the joint declaration, India has reiterated its acceptance of Tibet as an integral part of China. But in the same joint declaration, there is no reiteration of Chinese acceptance of Sikkim as an integral part of India. Why is that reciprocity missing?

Pranab Mukherjee : It is not necessary. Because, last time we had this.

Karan Thapar : But if it's necessary for India to reiterate its stand on Tibet, why is it not necessary vice-versa for China to do so on Sikkim?

Pranab Mukherjee : Because of obvious reasons, for the presence of the Dalai Lama here.

Karan Thapar : But there is an equally obvious reason that China has disregarded India's ownership and control of Sikkim and disputed it. Chinese maps until recently, in fact, showed it as an independent country.

Pranab Mukherjee : No. That was the position they had from 1974 till 2005. That's nothing new. In 2005, during the visit of the Chinese Prime Minister, officially it was recognised as an integral part of India.

Karan Thapar : Do you not think that in the context of the comment made by the Chinese Ambassador, just before the arrival of the Chinese President, staking China's claim, reiterating China's claim to the whole of Arunachal Pradesh that it might have been wise of India to be a bit more assertive in the joint declaration and request China to reiterate certain points?

Pranab Mukherjee : I told you that whatever was considered to be necessary to be put in joint declaration has been put. So far as the question of Arunachal is concerned, just yesterday, I replied exhaustively on the floor of Lok Sabha.

Karan Thapar : Did the Arunachal question come up in any official conversation that the Chinese President had either with the Government or with the Prime Minister?

Pranab Mukherjee : In what context?

Karan Thapar : In the context of the Prime Minister saying that we have objections or reservations about your Ambassador's statement?

Pranab Mukherjee : The Prime Minister did not mention it, (but) it has been referred to adequately. So far as the question of border is concerned, we have a regular institutional mechanism, which was set up by the previous NDA government. They have had eight rounds of talks. In the joint declaration, it has been mentioned that they will further carry on their activity to resolve the border issue.

Karan Thapar : So, critics who point out that India is very sensitive and attentive to Chinese sensitivities, but in response China is not...

Pranab Mukherjee : I don't agree.

Karan Thapar: You don't agree? You're happy with the relationship?

Pranab Mukherjee : Of course, and I want to improve it.

Karan Thapar : You don't accept people who say that when it comes to the strategic dimension, India sometimes behaves as if it is intimidated by China?

Pranab Mukherjee : No.

Karan Thapar : Let's talk about the Indo-US nuclear deal. There are perhaps six, may be eight, clauses common to either one or either of the versions passed by the US House of Congress which India has concerns with. How confident are you that they can either be removed or ameliorated to suit India's interest?

Pranab Mukherjee : We shall have to wait till the reconciliation conference takes place. Unless the reconciliation conference takes place and the final version of the legislation is available, it would be premature to make any comment on it.

Karan Thapar : I agree with you. But the problem is that some of the clauses that India has objections to are common to both versions of the Bill. I'm talking about clauses to do with nuclear testing, to do with the NSG and to do with the consequences of things like relations with Iran. Now given that they are common to both versions and that both versions were passed with majority over 80 per cent, can they be removed at reconciliation?

Pranab Mukherjee : There will be certain provisions which are binding on the administration. There will be certain provisions, which are not binding on the administration. Therefore, we shall have to take into account the totality of the legislation and the administrative response to it. So far as we are concerned, we have made our position quite clear that it must fit into the parameters set in the July 18 statement and the March 2006 separation statement. Therefore, so far as we are concerned, when the final version of the legislation comes, we shall have to see whether it is meeting our requirement or not.

Karan Thapar : Except for the fact that if there are clauses that are common to both Bills, in reconciliation, they cannot be removed because both Houses have agreed to them and agreed with 80 per cent majorities.

Pranab Mukherjee : Majority doesn't have much impact so far as the approval is concerned. I'm not going into that aspect. Nor is it my job to analyse what will be the problems with the US administration with regard to the legislation, which the US administration is to implement. I'm only concerned whether the legislation is meeting my requirement or not.

Karan Thapar : Analysts point out and in fact officials of your own ministry would readily agree that India's biggest problem doesn't lie in either in the Senate version or the House version, it in fact lies in the nature of US policy. The problem is that US policy bars to all countries sales of enrichment reprocessing and heavy water technology. More importantly, it bars to all countries the right to reprocess spent fuel of US origin. Can you find a way around those bars in policy? That's the real challenge

Pranab Mukherjee : We have stated what we can accept. The agreement that was signed between the Prime Minister and President in July 2005 and the separation plan, which we have placed before the Parliament, there we have strictly laid down the parameters. We have repeatedly told the US administration, the PM also spoke to President Bush, I spoke to Secretary Rice and we all made it very clear that it is acceptable to India only if it fits into the parameters prescribed in these two statements.

Karan Thapar : Except for a small simple fact. The Indian Prime Minister on August 17 made it crystal clear that India wants the full civilian nuclear cycle, including technologies for enrichment reprocessing and heavy water production. US policy bars that. On August 17, therefore, India's position and US policy have been in apparent conflict.

Pranab Mukherjee : Why should we bother about apparent conflict? What we should bother about is what is going to be the ground reality.

Karan Thapar : You are hoping that the US would give you a waiver on policy, which they have done for very few countries?

Pranab Mukherjee : I'm afraid if they did not want to do it (grant a waiver to US policies), then there was no point in making this exercise at all. Everybody knows what is their policy and when the United States of America agreed and when the US establishment went all out to see that the Bill gets the Congressional approval, there are reasons behind that. Our position is also known to them. They are fully aware of their own legal positions, their policies. We need not preach to them their policies.

Karan Thapar : Let me take up the waiver that is most important. I'm not talking about the waiver on sales. I'm talking about the waiver on the right to reprocess.

Pranab Mukherjee : We are just placing the cart before the horse. We need to wait for the final version of the Bill. How the establishment responds to the Act passed by the Congress and Senate.

Karan Thapar : Minister, I'm not talking about the issue that arises from the Bill, because the Bill can only give you a waiver on US law. I'm talking about your need for a waiver of US policy and it's US policy that bars sales of technology and it's US policy that bars right to reprocess fuel.

Pranab Mukherjee : I'm afraid, Mr Thapar, these policies existed before these negotiations started. These policies have not suddenly cropped up after July 18, 2005 and March 2006. Therefore, when these talks are going on, both sides know what is their policy. We know what is their policy. They know what are our parameters and what we require.

Karan Thapar : How confident are you that when the 1-2-3 agreement is signed -- I am not talking about the Bill going through Congress - that there will be no clauses there that India finds objectionable: be they to do with nuclear testing or be they to do with the right to reprocess spent fuel?

Pranab Mukherjee : My position is very simple. What is acceptable to me within the parameters, which I have laid down, which are clearly known to US establishment, everything will have to fall within those parameters.

Karan Thapar : We have to wait and see whether it does. But that smile on your face suggests that perhaps it might. Thank you very much for talking to Devil's Advocate.

Pranab Mukherjee : Thank you

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024. Address by Prime Minister Dr. Manmohan Singh at the Silver Jubilee Conference of the Indian Council for Research in International Economic Relations.

New Delhi, November 6, 2006.

I am truly delighted to be here at the Silver Jubilee function of ICRIER. This is for me a home coming of sorts because I had the privilege of being associated with ICRIER's creation as a founder-member of the General Body. I would like to begin by paying my tribute to the memory of Shri K B Lall, ICRIER's founder and builder. Till his very end, he took keen interest in ICRIER's work and even after he had ceased to be the Chairman of Board of Governors, would often visit the library and participate in seminars.

Shri K B Lall was a fine representative of a generation of visionary civil servants that India was fortunate to have in the early years after our Independence. They worked with the political leadership to create and sustain great institutions. It is significant that ICRIER was conceived of in the early 1980s, when Smt Indira Gandhi was the Prime Minister. There was already a realization that we had to pay greater attention to our economic relations with the outside world. Many of you will recall that in the late 1970s the Government had constituted several committees of experts to re-examine many aspects of our industrial and trade policies. Some of the distinguished personalities who authored these reports are present and I mention in particular, the name of Dr. Vijay Kelkar. This was also the time when China had initiated its Four Modernisations campaign and was becoming more open to the outside world.

Shri K B Lall was convinced that India had to make the transition from being an excessively inward-oriented economy to becoming a more outward-oriented one. This required preparation and changes in domestic policy. This would require Indian firms to become more competitive. The founders of ICRIER chose to build this institution to study all these issues and guide policy. It was only appropriate that ICRIER was initially housed in the building of India International Centre.

I do believe that ICRIER, under a succession of dedicated chairpersons and directors, has lived up to the expectations of its founders. In this context, I would like to record with deep appreciation the outstanding contributions made by Shri R.N. Malhotra, who was succeeded by Dr IG Patel as Chairman of the Board of Governors, and Dr. Isher Ahluwalia in

her many capacities of association with ICRIER in the transformation of this think tank as a leading forward looking institution on international economic relations. ICRIER's research work has covered many issues pertaining to trade policy, industrial policy, exchange rate and balance of payments management, the international financial system, capital flows, migration and labour policies, and in all these areas, ICRIER has made a profound impact on contemporary thinking on these issues. I do think that ICRIER must continue with its focus and emerge as one of the foremost think tanks not only in India but in the world as a whole.

I have often said in recent months that I do believe that there are today no binding external constraints on India's economic growth. Most constraints we face are inherently internal. This does not mean that external developments or trends may not re-emerge as constraints on our growth processes. Nor does it mean that we have taken full advantage of all the opportunities that are available to us. What it means is that the global environment is more benign today for India's development than at any other time in recent history. However, we must remain prepared at all times to deal with any external challenges to our development process, develop the necessary analytical tools to forecast and anticipate global trends and their implications for us and design policy response systems which are rapid but flexible enough for our needs. This requires, among other things, a continuous study of the global economic scenario and a contextualisation of this for our policy design purposes. This should be in my view the focus of ICRIER's work.

At the present time there is a great deal of optimism about India not only in seminar halls but also in board-rooms across the world. This optimism needs to be sustained and converted to tangible decisions that benefit our economy. For this, there is much we need to do at home. While the focus of Government's policies will remain on domestic economic issues, institutes like ICRIER must continue to scan global economic developments and explore new opportunities so that our development goals are effectively met. ICRIER must chart for itself a clear research agenda that enables it to become the first stop and the last word on India's relations with the evolving global economy.

In addition to developing expertise on multilateral negotiations, particularly in the context of WTO, ICRIER must also create internal expertise on our understanding of the regional economies, especially regions that matter to us. We need more expertise in India on what is

happening in our own neighbourhood in South Asia. Considering the rise of China on the global economic scenario, there must be a sharper focus on development trends in China and their implications for our development. ICRIER should consider acquiring a deeper understanding of China which would be of immense value to our economic planners, diplomats and the polity at large. And in this context, I listened with interest and approval the steps that ICRIER is taking to study developments in China.

We also need expertise on economic trends in East and South-east Asia, West and Central Asia, Africa, Latin America, Europe and North America. An issue that could come up in the near future is that of India's membership of the Asia Pacific Economic Cooperation. As APEC is set to invite new members, we need to study the costs and benefits of APEC membership. We need to look at the effects of a pan Asian Economic Community or a Pan-Asian Free Trade Area. We need to examine the effects of the large number of Free Trade Agreements we are entering or planning to enter into. We also need a better understanding of the geopolitical dynamics which are giving rise to a new range of economic relationships. Their costs and benefits need to be compared to those of a simpler multilateral system. ICRIER can guide policy makers in government with informed analysis.

An area of trade which is relatively less researched and understood is trade in services, particularly financial services. Much of the literature and data on external economic relations remains largely focused on merchandise trade. In popular discourse, we often refer to India performing below its potential in merchandise trade. However, the situation is quite different in services trade, including trade in labour services. The study of services trade is still in its infancy and much more needs to be done, particularly in India, on this important area. In the last decade, services trade and inward remittances have not only outperformed merchandise trade but have kept our balance of payments in a comfortable zone. We cannot therefore under estimate the importance of this for our macro-economic management.

We need to know the extent to which principles that drive liberalization in goods trade apply to services trade particularly trade in financial services. We need to have a deeper knowledge of our relative strengths in many services such as entertainment, business services, retailing, finance and banking, construction, education and health. What should our policies be and what international regimes should we seek to promote in order to benefit

our interests in the global service economy? We need to have a better understanding of this whole complex area, particularly in view of its employment potential and our inherent strengths in some areas of services.

As the Indian economy modernizes and grows we should expect a reverse migration of talent, especially from within the diaspora. What I would call a “reverse brain drain” is in the making. How can we encourage this? What domestic policy changes should we make to encourage this? What are the likely implications for various sectors and regions of such a ‘reverse brain drain’. These and similar other questions must engage the attention of ICRIER’s researchers.

An area which is of increasing importance is trade in natural resources, particularly energy. India is not well endowed with natural resources on a per capita basis. We have to be therefore a major trading nation to overcome this natural resource constraint. However, trade in natural resources and energy is not governed entirely on a pattern similar to industrial goods. It is more complex and is closely dependent on geo-political relationships. We need to study far more deeply the characteristics driving trade in natural resources particularly the energy resources; the impact of international economic relationships on this trade; the perceived drive by some countries for securing sources of energy and minerals in third countries and the implications of this for free markets in these goods; and, policy guidance for our own planners and diplomats to secure our own economic future in this vital area.

With the opening up of the economy to capital flows from abroad, new issues arise regarding the optimum course for macro-economic policies, particularly of fiscal and monetary policies, for a viable internal and external balance. We need to have a better understanding of the safe limits for capital flows from abroad. With a more open capital account, the management of the exchange rate also raises several new issues. Overall, the behaviour of international financial markets merits in-depth analysis.

Analysis of competitiveness has been a traditional research area in ICRIER. As global economic inter-relationships change rapidly, we need to improve our understanding of competitiveness in various sectors including the industrial organization, the progress of technology and the structures that are needed for a more integrated world. At the same time, technology is rapidly changing past modes of production, marketing, financing and service delivery with enormous implications for the growth of Indian firms. This needs greater analysis too.

I also believe that a think tank must engage public opinion at home and abroad and shape thinking on issues of interest to our country. For example, I have not seen adequately informed discussion at home on the pros and cons of the recent restructuring of voting rights within the IMF. Nor on the Asian Monetary Union that is being discussed in some circles. Nor even more importantly, on India's place in the new evolving global order.

Think tanks like ICRIER must participate actively in the public debate on India's place in the world and the consequences of increased global inter-dependence. I am often disappointed by the lack of adequate appreciation in our country, including among our political leaders, of the changing nature of our relationship with the world, and indeed with the region around us. Very often, we adopt political postures that are based in the past, indeed in the distant past and are out of line with our current interests as an increasingly globalised and globally integrated economy. India, I sincerely believe, is destined to be more globally engaged. We are destined to be more integrated with our own region. Even today, our energy security is closely inter-twined with our political relationship with a wide range of countries around the globe. Our food security, our technological security, indeed our national security, are closely linked to developments around the world.

However, one feels at times that there is inadequate recognition at home about the increasing inter-dependence between India and the world, and the consequences thereof for our domestic policies. Think tanks like ICRIER must therefore invest in informing and shaping public opinion and policy making in all these vital aspects.

It is this challenge that ICRIER should take up as it prepares for its next twenty-five years. I once again compliment all those who have been associated with ICRIER's growth and development. You have served the country with great distinction in these twenty-five years but I venture to think that the best is yet to come. With these words, I wish you all many more years of productive and creative research in the service of our people.

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025. Valedictory address by External Affairs Minister Pranab Mukherjee at the Indian Council for Research on International Economic Relations Conference on “India and the Global Economy”.

New Delhi, November 7, 2006.

Mr. Chairman (Shri N.K. Singhji),

Dr. Isher Ahluwaliaji,

Ladies and gentlemen,

At the outset, I would like to congratulate ICRIER on its 25th anniversary and commend the excellent work that has been done by this organisation in contributing to the economic developmental processes in India. I am happy to be a part of these anniversary celebrations.

Many of us will recall the global excitement of the mid-1990s, when the technology boom was driving the global economy. The economic decline that followed - from the East Asian financial crisis to the downturn in technology stocks - had a greatly sobering effect on the global economy.

Today, that sense of excitement is back, particularly for us in India. Yet, this time around the sense of exhilaration is different. That is because there has been a maturing of the global economy - there is a sense of steadiness and stability, but yet there is also dynamism in the global economy. The global economy is indeed well poised for growth. With this as the overall backdrop, the economic growth registered by India does not really come as a surprise.

For India, these are undeniably momentous times — as our brisk march forward into the 21st century depicts. As we stepped into the 21st century, the Indian economy registered a growth rate of about six percent. In the more recent past it has been about eight percent. Double-digit growth rate, which every economy aspires to achieve, is no longer in the sphere of conjecture in India; it is very much in the realm of possibility. There is cause for optimism on various accounts that are indicative of our general economic well-being — the Sensex has crossed the 13,000 mark, exports have crossed the US\$100 billion mark and has been accompanied by a 25 percent surge in exports, and there are rising foreign exchange reserves. It is not only government that is showing optimism on this account, the same is

true of the economic pundits, national and international, as well as international economic investors. Forecasts by Goldman Sachs and Morgan Stanley are universally known and are only two of the several that have been made, which predict and project the promise of a significant growth scenario for India.

India's role in the global economy is defined by who we are. A nation of one billion people, where the principles of democracy form its core values, where free enterprise has free reign, where the rule of law is firmly rooted and an economy that has registered a sustained growth only matched by a few other countries.

In short, India's political stability together with reform in the economic sector, in particular the financial sector, has been the driver of India's economic development. But it would be remiss of me not to mention and acknowledge the commendable role of India's corporate sector - India's domestic entrepreneur who has proven his competitiveness in the international arena.

To understand India's role in the global economy, it is essential to have a sense of the state of the global economy. While the state of the global economy at the turn of the century did raise some concerns, global growth rates have been quite steady in the past four years or so, at over four percent per annum. While large fiscal deficits continues to be an international phenomenon that raises concerns worldwide, there are also issues that are particular to a region or to a country that needs to be monitored carefully.

While geographic borders define nation states, economic borders are becoming increasingly seamless. The global economy is today a function of increasing cross-fertilisation. An idea germinating in one country is incubated in another and finds application in a third. Real-time globalisation is in effect. The global economy is increasingly defined by freer and substantive movement of ideas and capital and this movement is facilitated by the technology revolution, in particular information technology.

For a developing country like India, as is true for many other developing countries, perhaps the greatest challenge is to deal with the phenomena of globalisation. How does a developing country derive the maximum benefits of globalisation, and yet insulate the economy from the risks that are quite inherent to globalisation? It is also necessary to be cautious that in this delicate process, there is no backlash against

globalisation. In short, management of the process is a quintessential requirement. While the debate on the subject will continue, it is also a reality that India is inexorably engaged in this process of globalisation.

The role of India in the global economy is of no mean significance. In the ultimate analysis, this will only be enhanced as India's middle-class grows. Much has been said on the subject of India's middle class, and the growth of its purchasing power. The certainty of the potential that the growth of this sector of India's population presents is unquestionable.

Mr. Chairman,

Ladies and gentlemen,

It is essential for me to be able to define our objectives so that India can achieve its full potential. What is it that the government will have to do to ensure that our dreams of achieving growth rates that will propel us to those magic numbers that are being forecast?

First and foremost, the infrastructure deficit in the country will need to be addressed. For India to maintain its momentum of economic growth, it needs better infrastructure, including highways, ports and airports, railways and most of all urban infrastructure that meet world-class standards. There is an urgent need for aggressive investment to improve the country's infrastructure through higher levels of FDI. Here, public-private partnership can come together to play a critical role in the development of India's economy. The government is fully engaged in this process. And my Ministry will be engaged in this closely to explore new avenues to harness FDI for infrastructure into India.

Secondly, India's population potential is tremendous. We are a young country, with 50 percent of the population below the age of 25 years. To ensure that young India is not disadvantaged by globalisation, education is of critical importance. Access to education is essential. While government has taken several measures through policy and legislative frameworks, there is need for all of us to work together for ensuring and enhancing quality education for all Indians.

Thirdly, it is a combination of the population and excellent education facilities that provides the distinctive human resource of India. India's competitive advantage has been on account of the highly skilled manpower that India has been able to produce. This has indeed been a matter of

great pride. We must be able to harness the full potential by investing in R&D, and providing more opportunities for innovations and technology development. Greater participation of the private sector in this area can provide adequate impetus to this area is the necessity of our times.

Fourth, energy security is of vital importance for India's burgeoning economy. New and innovative methods of addressing the energy deficit in the global economy are a crucial need of the hour. While diversification of energy sources domestically will need to be accelerated on the one hand, diversification of energy sources internationally will also need to be intensified.

Fifth, greater global economic integration. India has for many years recognised the fact that its economic growth is closely linked to the economic progress of other countries. Measures have therefore been taken to strengthen the inter-linkages with other economies, institutionally. We have been very supportive of initiatives to strengthen SAFTA, BIMSTEC, and economic links with the ASEAN. This is in the neighbourhood of India. At the same time, efforts continue to strengthen linkages with our traditional partners in other countries in Europe, in Asia and in America. New initiatives in the Latin American continent and in Africa in recent times are also aimed at greater global integration.

Sixth, India has played a very significant role in the multilateral economic processes. We have worked closely with like-minded countries in the WTO, and in other economic fora so that the multilateral framework of economic cooperation can be harnessed for the benefit of India, and for other developing countries. Reform of the international financial architecture, viz. the multilateral economic institutions has also been an area of priority for us. Unfortunately, the international community has not been able to come together and develop a common approach to deal with issues that affect us all. India would need to continue to work with its partners to achieve its objectives in this important endeavour.

As I participate in this discussion and share with you my thoughts of India and the global economy, I am reminded of the importance of organisations such as ICRIER, which can play such a vital role in generating debate and discussion and in the opinion making on issues which are critical for taking the economic development of India forward. It is imperative to turn the many challenges and constraints that face us into opportunities for investment and growth. India's renowned economists, so many of whom

are represented in ICRIER and in this Conference, must dwell on the manner by which this can be done most effectively and quickly.

I would like to thank ICRIER for giving me this opportunity to participate in these discussions. I wish the organisation all success in the future, under the dynamic leadership of Dr. Isher Ahluwalia.

Thank you.

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026. Speech by External Affairs Minister Pranab Mukherjee at the ground breaking ceremony of Jawaharlal Nehru Bhavan.

New Delhi, November 14, 2006.

Foreign Secretary,

Director General, CPWD,

Distinguished guests,

Ladies & Gentlemen,

1. I am delighted to be associated with the ground-breaking ceremony of Jawaharlal Nehru Bhavan. This building, I am sure, will become another great landmark in these historic and beautiful surroundings. We were privileged to have Prime Minister here in February this year to lay the foundation stone of this building. Within the short period since then, the Ministry of External Affairs has completed various mandatory requirements and I am glad that construction is commencing today.
2. Today, the nation is also celebrating the birth anniversary of a great son of India – Pandit Jawaharlal Nehru. Panditji was not only the architect of our democratic, secular and pluralistic polity. He was also a true internationalist and one of the greatest statesmen of his time. With his unbounded pride in India's great heritage, and abiding faith in its capacity to forge ahead towards a bright future, Panditji

became the very symbol of the hopes and aspirations of free India. As India's first External Affairs Minister, Panditji crafted, articulated and personally represented independent India's foreign policy in a particularly complicated international context marked by the end of the Second World War and the onset of the Cold War. The institutional and policy foundations laid by him then have come to underpin India's rapid rise on the global scene. All of India owes a great debt to him and it is, therefore, entirely appropriate that this building, which will house our Foreign Office, has been named after the person who exercised the greatest influence over the formation of independent India's foreign policy.

3. Panditji worked tirelessly for India's progress. However, his love for India and its people did not confine him within the country. His colossal personality and the range of his vision went far beyond the shores of India. Even as he addressed the Constituent Assembly on the night of August 14, 1947, when momentous events were taking place within India, his commitment to humanity at large came out clearly when he observed that his dreams were not just for India, but also for the world. He said, "All the nations and peoples are too closely knit together today for any one of them to imagine that it can live apart". Panditji went on to add, "Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated fragments". No better vision for the world has been conceived till today.
4. This project is being undertaken at a juncture when India is assuming a new leadership role on the world stage. These are times of new opportunities as well as new challenges for our diplomacy. Our diplomats are required to play an increasingly active role not only to build and nurture fruitful external linkages to sustain the rapid growth of our economy, but also to make certain that India assumes its due place in the global order. The economic aspects of our diplomacy are becoming ever more important. India's growing economy necessitates increasing access to markets, sources of energy and investment and advanced technologies. In the domain of external publicity, we need to put an end to such stereotypes about India as have continued to exist and project the true image of a modern and technologically advanced nation. We need to harness the limitless potential of large communities of Indians and Persons of Indian Origin around the globe. Above all, we remain committed to Panditji's ideal

of a peaceful world in which all nations – big and small – can live in harmony and work together for the progress and prosperity of their peoples. I have no doubt that our diplomats are fully capable of seizing the emerging opportunities and facing the new challenges thrown up by the ever-evolving international scenario. However, we should not rest on our laurels. Change and adaptation in keeping with the evolving situation should be a continuous process.

5. The year 2006 has been a busy year in terms of MEA's construction projects. I am told that in August this year, my colleague, Shri Anand Sharma, laid the Foundation Stone of the Chanakyapuri Residential Complex for officers of the Ministry. Construction has already commenced on that project and today we mark the commencement of construction of Jawaharlal Nehru Bhavan.
6. I am particularly pleased that the planning of this building has been done with great care to incorporate state-of-the-art features. I am sure that these will be of tremendous help to the Ministry of External Affairs in its functioning in the coming years. I hope that the CPWD, which is executing this project, will prove its 150 years of engineering excellence by completing this project in time and by ensuring that it is indeed a landmark building.
7. I know that this ceremony would have given great joy to the man after whom it is named. Many of us are familiar with the keen interest Panditji took in selecting not only the human talent for a nascent foreign service but also the buildings that would help serve India's cause overseas. Indeed, we owe some of our most outstanding chanceries and residences abroad to Panditji's keen eye and taste in real estate. As my colleagues and I in the Ministry of External Affairs celebrate this important milestone in the life of the Ministry, we rededicate ourselves to the lofty ideals of Jawaharlal Nehru and pledge to do our best in the service of the nation.

Thank you.

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027. Speech by External Affairs Minister Pranab Mukherjee at the National Defence College: “Indian Foreign Policy: A Road Map for the Decade Ahead”.

New Delhi, November 15, 2006.

1. I am delighted to be among you again and share a few thoughts on the roadmap for India's foreign policy in the years ahead. India's Foreign Policy is a product of its history, geopolitical setting and the needs and aspirations of its people as distilled by its democratic institutions. This policy is inspired by the vision of our founding fathers, in particular Pandit Nehru, and is nourished by a tradition of continuity and consensus.
2. What would be the shape of India's Foreign Policy ten years from now? How would it contribute to the well-being of the citizens of India and indeed to peace and prosperity in the wider world? Allow me to hazard a few lines of reasoning.
3. India is set resolutely on a path of economic growth of at least 8% per annum. In a decade from now India is slated to be the 3rd largest economy in the world with a significant portion of the world's output in key areas such as Information and Communication Technologies, biotechnology and pharmaceuticals, automotive manufacturing and light engineering. Given current trends, Indian companies would have spread themselves further afield and become important players in the global supply chain. Human resource is our most vital asset. Indian professionals and workers will play a key role in the economic resurgence of India and would emerge, with the Indian diaspora, as significant contributors to the reassertion of India's economic weight.
4. Ladies and Gentlemen, I foresee Indian Foreign Policy playing a major role in this economic renaissance. There is a range of foreign policy instruments available today to advance our economic interests – traditional commercial work, negotiation of preferential or free trading areas, active participation in multilateral forums etc. We need to creatively add to this tool box and in fact retune mindsets so that our entire approach to a bilateral relationship is premised primarily on that relationship's contribution to our economic well-being. It would be my endeavour to boost both the resources – human and financial – as well as the synergies required to face the challenges of the

coming decade. To list only a few, these include a significant upgrading of our economic relationship with South East Asia, East Asia, Latin America and Africa, building new investment driven partnerships with the US and EU and nurturing a web of cooperative energy security networks in Asia and with new suppliers in West Africa, Central Asia and Latin America.

5. The primary task of Indian foreign policy has to remain the facilitation of India's developmental processes, leveraging our international partnerships to the best possible effect. Our focus in the coming decade should be on promoting trade and investment flows, in assisting the modernization of the infrastructure, in assuring predictable and affordable energy supplies and in securing the widest possible access to technologies.
6. Traditionally threats to India's security have largely come overland from the North and the West and from the waters in the South and the West. In future the importance of the East in our security calculus is slated to rise. Maritime security, WMD proliferation, energy security and terrorism are important and emerging issues with a bearing on the security of the region. We have to promote an environment of peace and security in the region and beyond, which indeed is a pre-requisite for development.
7. The other major theme for India Foreign Policy¹ a decade hence has to be a significantly different set of relationships in the neighbourhood. A major power has hardly ever emerged - or sustained itself - on the world scene from amidst a conflict-ridden and impoverished neighbourhood. The street on which we have to build our future home has to reflect our values and our aspirations, in particular our desire for a peaceful and prosperous future. India, as the largest country in

1. Giving a broad thinking on Indian Foreign Policy Prime Minister told the special convention of the Kerala Pradesh Congress Committee in Thiruvanthapuram on November 1, that the nation could not be tied down to the past. It needed flexibility of tactics depending on the changes the world over. There was a bid to create confusion that the government was deviating from the foreign policy laid down by Jawaharlal Nehru, Indira Gandhi and Rajiv Gandhi. "In terms of basic objectives there is no change. What we are trying to do is not a deviation but an attempt to widen our horizon." The country has made efforts to improve relations with US, Russia and China. In the case of Pakistan, steps have been taken to improve relations with it despite difficulties arising out of its support to terrorist activities. "We need peace in our neighbourhood and to share prosperity with them. An international environment would provide the opportunity for us to develop," he said.

South Asia with land and sea borders with all its neighbours in the South Asian Association for Regional Cooperation (SAARC), and indeed as the eldest 'sister' in South Asia, has to assume greater responsibility for the region's challenges. I want India's Foreign Policy to pay particular attention to each and every one of our bilateral relationships in the neighbourhood from Myanmar to Afghanistan and provide them with depth and diversity of mutually beneficial interaction. We need to work on innovative use of development assistance, India's growing economic and S&T capabilities as well as our soft power to advance this goal.

8. India's neighbours can and should share in our drive for prosperity. Obviously, as sovereign states, these are choices that they have to make. But from our side, we are clear that stronger cooperation offers immense benefits to all parties. Already, we can contrast the results of those of our neighbours who see in India's growth an opportunity to advance their interests, and others who are less perceptive or farseeing. Bhutan, for example, has significantly raised its per capita income as a result of its energy exports to India. Sri Lanka has drawn full value from its importance to the logistics of Indian trade. Both Maldives and Sri Lanka are benefiting from Indian tourism. So too is Mauritius, which also serves as an investment route into India. Citizens of Nepal have long sought employment opportunities in India, a trend that will only become stronger. More recently, China has discovered the advantages of trading with India, and our bilateral trade is growing at an astonishing 60% plus per annum. With Thailand, India has concluded an FTA and with Myanmar, we are exploring new opportunities in energy and infrastructure. Afghanistan has benefited from the participation of Indian companies in its reconstruction and economic revival. As the European example has demonstrated, a modernization of the infrastructure in the Indian sub-continent that will promote freer flow of goods and services can transform the region conceptually. In more ways than simply economic, the future of the Indian sub-continent depends on whether this open mindedness prevails over the more traditional mindsets. On its part, India has extended its hand in all directions and is willing to go the extra mile for a better future.
9. The coming decade is crucial for India-Pakistan relations, which even today are at a cross-roads. It is not possible for us to change borders, but we can surely reduce the salience of borders in our relationship.

We have endeavoured to do precisely that with a series of initiatives that promote people-to-people relations. In the process, what has emerged is the deep yearning amongst ordinary people for peace and normalcy. Sustaining and expanding this process would be one of the important challenges of India's foreign policy. But this can happen only when diplomacy is allowed to function without interruption. If, on the other hand, terrorism is perceived and practiced as an instrument of statecraft, then the most imaginative diplomacy will founder on lack of domestic support.

10. A focus on the neighbourhood does not imply a parochial or near-sighted approach to world affairs. India's foreign policy today looks at India's environment in expanding circles of engagement starting with the immediate neighbourhood of Southern Asia and moving on to and beyond the extended neighbourhood of West Asia, Central Asia, South East Asia and the Indian Ocean Region. This is reflected in our political, economic and defence engagement with these regions particularly after the end of the Cold War and the beginning of the economic reforms process in India. This intensified engagement is the beginning of the reassertion of India's historically benign and stabilizing role in these regions premised on the commerce of ideas and goods.
11. India's relations with the major powers - United States, European Union, Russia, China and Japan as well as the emerging powers of Latin America and Africa have undergone a major makeover in the past decade and a half. The bandwidth of engagement with these powers is wider than ever. India's Foreign Policy would need to actively promote the building of a qualitatively different relationship with the major powers in the decade ahead thus contributing positively to our political, economic and security objectives.
12. The exponential and qualitative change in India-US relations has rightly attracted global attention. The India-US civil nuclear agreement symbolizes not only a maturing of our bilateral relations but also a clear recognition of the responsible record of India as a state possessing advanced nuclear technologies. Our cooperation on matters impinging on regional and international security is a reflection and recognition of our capabilities and our role in fostering peace and security. In the future I expect the relationship to build more on the convergence of values and interests between India and the US

and to add a bigger economic element to our cooperation. As India grows and integrates with the global economy, there is bound to be more demand for US goods, technology and services and at the same time greater penetration of the vast US market by Indian companies. There is another evolving significant factor of complementarities in human resources. All these have the potential to unleash a much broader and deeper strategic engagement between the two countries.

India's strategic partnership with Russia has had to weather the difficulties thrown up after the disintegration of the Soviet Union. Developments in the post-Cold War period have imposed different sets of constraints but have also offered newer options for both India and Russia. For India, Russia is a partner in our fight against global terrorism, an ally in the field of civil nuclear, space and defence technologies and a key player in our quest for energy sufficiency.

13. India and Europe share values of democracy, pluralism, human rights and respect for rule of law with similar institutions such as a free press and an independent judiciary. India is now one of EU's six strategic partners and the EU remains India's largest export destination and one of the largest sources of foreign investment into India. Our strategic partnership is based on mutual interest and the great potential both sides see for enhanced cooperation, including in tackling global problems such as terrorism and environmental degradation. Our multi-faceted links with Europe also reflect a desire for a more effective multilateral approach in meeting global political and economic challenges.
14. Ladies and Gentlemen, India's civilizational, religious and cultural links with East and South East Asia can be traced back many millennia. India has been the source of many ideas both spiritual and material that have rippled across the East. India has also acted as firewall on destabilizing influences. Our recent intensified engagement is the beginning of the reassertion of India's historically benign and stabilizing role in these regions premised on the commerce of ideas and goods. Japan, South Korea, China and Singapore are strategic markets for our goods and services and important sources of investments and technology. Indian companies have long had a presence in ASEAN. Now they are venturing farther and investing in China, Japan and Australia.

15. India's "Look East" policy was more than an economic imperative. It was a significant shift in India's vision of the world and her place in the emerging post-Cold War global scenario. In the years to come it will be our endeavour to strengthen political, physical and economic connectivity between India and East Asia and broaden the underpinnings of our quest for peace and prosperity.
16. The India-China relationship is bound to be one of the most important bilateral relationships in the coming decade simply by the sheer weight of demographic and economic numbers. How we manage this relationship will have a tremendous impact on peace and stability in the regional and increasingly the global context. India-China relations have traditionally been viewed through the prism of 'balance of power' or 'conflict of interests' with Asia as the theatre of competition. This theory has become outdated in today's interconnected and interdependent world. It is increasingly recognized that there is enough space and opportunity for both to grow. Both countries have taken a number of initiatives to improve bilateral relations across a range of areas, without allowing existing differences to affect the overall development of their ties. China is set to emerge as India's leading trading partner in the future and both countries, which face many common challenges, are exploring cooperative approaches to a range of issues including terrorism and protection of the environment.
17. We attach great importance to close, cooperative and friendly relations with Japan, the second largest economy in the World, and the other major pillar in Asia of our foreign policy. India's 'global partnership' with Japan reflects our common search for geopolitical, strategic and economic options in a rapidly changing world. In the next decade this relationship is set to become one of the most important factors in India's foreign policy matrix.
18. India's foreign policy has always had a strong element of developing country solidarity and south-south cooperation. From the early days of our independence we have worked with countries in Africa, Asia and Latin America to further the interests of developing countries. In recent years these ties have been bolstered by transcontinental links such as India-Brazil and South Africa Initiative or IBSA. We are also adding important elements to our traditional ties with the countries of the Persian Gulf region by leveraging economic opportunities and the

shifting geopolitical landscape of the region. It is notable that the King of Saudi Arabia visited India after fifty years.

19. Ladies and gentlemen, I have given you an overview of our emerging relations. In the coming decade, India's foreign policy would have to contend with intensified engagement with not only the major powers but also emerging power centers as well as our immediate and extended neighbourhood. Demographic trends, policy choices and India's inherent societal strengths have come together to put India among the key players of this century. While we still have many challenges in addressing the basic needs of our people, the world's perception of India, its capacities and its strengths has changed irreversibly. This is both a challenge and an opportunity for our foreign policy. We have to act, and more quickly than before, from a platform of increased self-assurance and responsibility to ensure that India continues to enjoy a peaceful and supportive environment for pursuing her development goals as well as to ensure that the world's expectations of India are met and we are able to contribute, as our forefathers have always wanted, to the fashioning of a better world based on universal human values. Thank you.

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028. Speech of Prime Minister Dr. Manmohan Singh at the *Hindustan Times* Leadership Summit - “India : The Next Global Superpower?”

New Delhi, November 17, 2006.

Distinguished Ladies and Gentlemen,

I am happy to be back here at this forum once again. I notice that there is an integral link between the theme of your summit last year, viz., “Building a Better Future”, and the theme this year. However, I submit to you that we in India wish to ‘build a better future’ for ourselves, not because of a desire to be a ‘global superpower’; but because we want to live in peace and with dignity; in good health and gainfully employed; creating an environment conducive to the full expression of our creativity and enterprise.

Ladies and Gentlemen,

At the outset, I would like to examine the concept of a global superpower itself. In the 21st century, I see the benefits of science and technology reaching almost all corners of the world, removing the age old scourges of poverty, ignorance and disease. As prosperity spreads, as people and communities get increasingly empowered to manage the affairs of their nations, as the economic and technological gap between nations of the world narrows, as trade and capital flows grow to a magnitude unimaginable today, as nations become more interdependent, the notions of power and a “superpower” as we understand these today will have to undergo a change. We will possibly move to a world where nations act together in concert to address the major concerns of the times – global environmental hazards, sustainability of global consumption, global energy security, global health risks and global threats to security. New global institutions will have to emerge to manage these collective international responses and we will need to move to a far more rule based and equitable management of international affairs.

In this rule based world – just as in the rule based polity we have internally – power as traditionally understood may become less relevant in international affairs and the concept of a super power as we generally understand it, even less so. Given this emerging scenario, our goal should be to ensure a prosperous, secure and dignified future for our people and to participate actively in contributing to the evolution of a just world order. Size does give us a certain weight in global affairs and this will get

recognized across the world. We will be seen a growth engine. But, this has to be tempered by the realization that the ultimate goal is to work for rule based rather than power based relationships.

Further, such an approach is in line with our history, culture and civilization. For centuries, we have lived in peace with the world around us, traveling to distant lands as traders, teachers and scholars. Rarely has the world seen armies sailing out of India as conquerors. The Indian influence across much of Asia has been one of culture, language, religion, ideas and values, not of bloody conquest. We have always been respected for our traditional export knowledge! Does that not also make India a “global superpower”, though not in the traditional sense! Can this not be the power we seek in the next century?

Ladies and Gentlemen,

Sir Winston Churchill had once said that the “empires of the future will be the empires of the mind.” This statement not only recognizes the importance of knowledge in determining the destinies of nations, it also subtly hints that the intellectual, cultural, social, economic and political empowerment of individuals is the basis on which the modern world will be constructed. This should be the goal we should work for. And I am confident that we are capable of meeting it.

When we analyse our history of the 18th and 19th centuries, we see that it was our neglect of modern science and technology and our inability to harness it for growth that made us miss the industrial revolution that swept the world then. India and China, which together accounted for half the world GDP and whose people were among the most prosperous, fell behind Europe and ended up at the bottom of global prosperity tables.

We are once again at an inflexion point in world history. Once again, advances in science and technology, particularly in IT and connectivity, are making enormous changes in the way we organize our lives, our industries, our economies and our institutions. This is throwing up immense opportunities for those who are skilled, creative, and enterprising. If we have to realize our destiny and once again be counted among the great nations of the world, we have to ensure that we do not miss this new wave of industrialisation.

The challenge before us is to use modern science and technology to ride this wave. We need to equip and empower our people to take advantage of the opportunities that are rapidly arising across the world. We need to

have a skilled, confident, healthy workforce. We need to have dynamic, creative, enterprising firms which are capable of meeting global challenges. We need to build institutions which are robust, which inspire confidence and which can enforce the rule of law in a fair manner. We need a polity which is inclusive, equitable, caring and just. We need a social order which every citizen owns and is proud of. These are goals which will take us to our destiny.

Ladies and Gentlemen,

The goals I have listed are not new. Nor are they easy to fulfill. We have a huge challenge in education in ensuring that millions of our children complete basic schooling. We need to build far more universities, colleges, technical and professional institutions so that our youth have the basic skill set to participate in the dynamism being shown by our economy. We have to educate the girl child and empower our women and all weaker sections of society through education. For doing all this, we have to widen access to education, make it more equitable and relevant, and ensure that excellence is rewarded. The education system must promote rational thinking and a scientific temper. This is the surest way of unleashing the full potential of all our people. We cannot afford to be a nation, half of whose citizens are marginalized and outside the pale of a modern economy.

The other challenge is in health. The consequences of ill health and disease are adverse on all age groups – children, the productive workforce and the aged. We need a health system which caters to the diverse needs of all these groups. Our people must be assured of quality healthcare at an affordable cost. We need a health system which reduces the infant mortality rate, the maternal mortality rate, controls epidemics, provides basic health care. We are still at an early stage in evolving large scale systemic solutions to our health problems. We need to accelerate our efforts.

As our economy grows, we need to look at the energy needs of our country. We need to look into the future, forecast our energy consumption patterns, study alternatives that are available and take steps to ensure that energy availability is not a constraint on our prospects. Energy security will be a continuing effort both in the domestic sphere and the international sphere.

Ladies and Gentlemen,

If we have to equip ourselves to ride this new wave of industrialization, we need huge investments – both public and private. This can be done

only in the framework of a rapidly growing economy. We have been able to sustain high rates of economic growth averaging over 8% in the last three years. This is the result of a whole range of policies we have put in place. We are targeting growth rates of 10% in the next Five Year Plan. It is only through such growth can we generate the tax resources which can then finance the huge expenditures that are needed in education and health. Therefore, we need to ensure that we have an economic environment which is conducive to growth, an environment with moderate tax rates but high levels of compliance.

Growth is raising other concerns. We are seeing a widening of the urban-rural gap and inter-regional disparities. The income ratio between urban and rural India has risen from 1:2 at the time of Independence to 1:4 today. Is it going to widen further? Can we allow such a trend to persist without its ill effects on our society and polity? This is a matter of deep concern. Another dimension of growth is the widening gap between states and regions. We are a common market in many ways. Internationally, common markets enable convergence in prosperity. We are seeing the reverse happening in our country. There is an increasing disconnect between backward regions and the rest of the country. Is this a consequence of low urbanization? Or poor industrialization? Or poor institutional capacities? The consequences of this trend are going to be extremely adverse. We need to urgently arrest this trend as well. Less developed regions must catch up with the more developed regions. We need sharply focused policies to reduce disparities, take people out of agriculture and increase agricultural productivity. Bharat Nirman and rural infrastructure, which are priority areas for our government, attempt to redress this imbalance. We need to collectively think as a nation to ensure equity in growth – equity across regions, states, sections of society and gender. We cannot walk boldly into the future with only one half of our nation shining.

This means that growth cannot be an end in itself. It must translate into meaningful outcomes in the lives of individuals. At the same time, the protection of environment and control of the degradation of our land, water and air will also need to be attended to. I am not sure whether we can aspire to achieve consumption standards of developed countries. This ambition will place unsustainable pressure on our environment and the essential life support system of our planet. Our aim must be to pursue a sustainable development path through which we can eliminate the differences in important indices of human development between us and developed countries over a reasonable time period. This is my view of what catching up should mean.

Ladies and Gentlemen,

While focusing on economic growth and equity, we often tend to ignore the importance of institutions. Effective, efficient, just institutions are integral to any modern polity. They make it more inclusive, capable of handling contrary pulls and pressures. They enforce the rule of law in an unbiased manner, inspire confidence in the 'fairness' of the system and make the polity stable and robust. They deliver essential public services. They form the basis of a market economy and any social safety net.

I am concerned whether we are doing enough to reform our institutions. Our administration, judiciary, legislature and institutions of local government need to be revitalized and made more accountable and effective. We have to do more to eliminate corruption in public life and in government. Are we debating enough on the management of politics in our country, taking into account the wide differences in caste, creed, and language. Are we debating and working on the modernization of the Indian state? Are our urban bodies and panchayats capable of handling the immense workload that will be expected of them in the decades to come? Have we done enough to tap into the immense creative potential of decentralized governance with more powers to raise resources and more accountable systems of governance?

In the answers to these lies the answer to our original question of realizing our destiny. Our political discourse and the attention of media, are not adequately seized of these challenges. To unleash our full potential we need a politics of constructive engagement. We need forward-looking political leadership at all levels of our polity. We need a basic political consensus on some of the difficult things that governments must do to create an environment conducive to sustainable development. If we don't think into the future, if we don't think big, if we don't think anew, if we cannot, and will not, learn from the experience of the world, we will not be forgiven by future generations.

We have to have the courage and the vision to take calculated risks that expand the horizons of development and knowledge. We must be willing to benchmark ourselves against the best in the world, in whatever we do, and see how we can bridge the gap. Many Indians have done this. Many young students, professionals and entrepreneurs have shown the courage to test their skills in the global market. They have done India proud. This is not enough. As a nation we must be willing to benchmark our effort against the best in the world in whatever we do, in every walk of life, to bridge the gap between performance and potential.

In the foreseeable future more than half our population will be less than 25 years of age. Adequately empowered, this vast army of young men and women can fuel the engines of growth and redistribution. Our Government has kept its focus sharply on these objectives. In the past two years the economy is once again on the move. We have been able to step up the rates of saving and investment. But what we have been able to achieve is just the beginning of a long process.

Ladies and Gentlemen,

It is also imperative that we become more engaged with our own neighbourhood. We must create and sustain mutually beneficial relations with all our neighbours and with all the Great Nations of the world. I believe the people of South Asia have a shared destiny, just as we have a shared past. We must learn to live with each other, respecting the inherent diversity of our region, and work together in improving the lives of our people. The strengthening of democracy in our region will, I am convinced, restore to South Asia as a whole a unique place, and a place of great importance, in the community of nations. The countries of our region can and must help each other grapple with the challenge of change and the challenges of our times.

I am sure you are all waiting to hear President Hamid Karzai, for whom I have the highest regard. I am greatly inspired by the heroic attempt of the Afghan people to carve out a new place for themselves in the modern world. President Karzai has set his eyes on re-building Afghanistan into a strong, democratic nation.

I hope your conference helps us understand better how we can grapple with the challenge of building a better future for our people so that we can help build a better India, a stronger India, a more open and dynamic India, and an inclusive India.

Thank you.

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029. Interview of External Affairs Minister Pranab Mukherjee with the daily *the Hindu*.

New Delhi, November 21, 2006.

Q. What are your priorities as External Affairs Minister?

Foreign policy has continuity. At the same time, we have to grapple with problems as they arise. If you look at our immediate neighbourhood, you will find that some sort of [democratic] arrangements are being made in Nepal; in Bangladesh elections are going to be held.

Talks between the Sri Lankan Government and the Liberation Tigers of Tamil (LTTE) are going on. But, everywhere, there are some problems — attempts are being made to resolve those issues. With Pakistan, we have resumed our composite dialogue.

The Chinese President [Hu Jintao] is coming and it is a major visit. After 10 years, a Chinese President is visiting India.

We have to address problems in our near and extended neighbourhood. In Afghanistan, there are problems — there are problems in Iran. So, we shall have to respond to the issues that are emerging. With our friends like the United States, a civilian nuclear cooperation Bill has been passed by the Senate, but the reconciliation is yet to take place.

Q. The Government and you, personally, have been quite guarded in welcoming the passage of the Senate Bill. Is it because India has known concerns about a ban on reprocessing of imported spent fuel and on transfer of nuclear technology in the text of the Bill?

The U.S. administration is aware of the fact that the Bill should be as close as possible to the parameters laid down in the July 18, 2005, joint statement and March 2006 separation plan presented in Parliament. That is the commitment, which has been made to Parliament.

Thereafter, Prime Minister [Manmohan Singh] while replying to a debate in Parliament also spelt out the parameters within which the [U.S.] legislation should be framed. Now, we shall have to look at the various provisions of the Bill and analyse its implications. But, before that we'll have to see the final shape of the Bill.

The House [of Representatives] has passed a legislation, Senate

has passed a legislation. There are divergences of view: these are to be reconciled ... then only the final shape of the Bill will become known. All of us are working on placing the cart before the horse.

Q. As External Affairs Minister of a rising India, don't you resent the American Senate's efforts to bind us on Iran despite the fact that we have cast two votes against Tehran at the International Atomic Energy Agency (IAEA)?

Look, legislatures have their own way of functioning. We are concerned with the diplomatic relationship, not observations in the legislature — but how the [U.S.] administration responds and reacts to it.

If you look at the debate in the Indian Parliament, with respect to certain countries, what type of phraseology is used? The kind of phraseology used is known to us and to others [outside the country] as well. But they do not respond to it.

Let us understand and appreciate that various organs of the government have different roles to play.

Q. With respect to the Iran-Pakistan-India gas pipeline, it appears that the Government has painted itself into an either-or situation — the civilian nuclear deal with the U.S. or the gas pipeline with Iran. Don't you think that our diplomacy should be deft enough to do both?

We have never said one will cancel the other. We have never said that.

Q. So, we can do both?

Of course. That's why we are having discussions.

Q. You are confident we'll move ahead on the Iran pipeline?

I think so.

Q. We now have a trilateral framework for cooperation with China and Russia — we've had meetings at the level of the Foreign Ministers and heads of government of the three countries. Obviously, this is a powerful forum. Do you feel there's some kind of reluctance on the part of the three countries to take positions on key global issues such as, say, Palestine?

Trilateral arrangement is there to share opinions and to share with each other perceptions on different international issues. This is a mechanism

for consultation. When Russian Foreign Minister Sergei Lavrov was here, we had a discussion — he's also interested in resuming the Foreign Minister-level talks. And, we'll try to find out from our Chinese friends when they will be in a position to give us a date [for the trilateral meeting] and then we'll resume these talks.

But, it is not desirable and we cannot make any comment that on one particular issue what would be our view unless it is discussed and there is a joint formulation.

Q. Of late, there's a perception that India after its May 1998 nuclear tests, is interested in joining the big boys' nuclear club and our commitment to disarmament, articulated by successive Congress Prime Ministers, has been diluted.

No, it has not been diluted; we are committed to non-proliferation and disarmament. What Rajiv Gandhi said at the special session of the United Nations on disarmament [June 9, 1988] is the guiding principle of our foreign policy.

He told the world that we would not graduate ourselves from the threshold level — that was our position then, before 1998. We want that those who have nuclear weapons should stop proliferation — vertically, horizontally — reduce stockpiles and have a time-bound action plan [for disarmament]. And that [commitment] stands.

In between, of course, we have gone for the [May 1998 nuclear] explosions. There have been developments and that cannot be erased. It has already taken place — but even in that context we are serious and we are engaging ourselves. In this United Nations session, we are going to move a resolution to this effect [for time-bound disarmament].

Q. How do you see the long-term trajectory of our relationship with Pakistan?

We are neighbours; you cannot alter your neighbours. The option before you is: either you live with your neighbour under constant tension or you try to defuse the tension and live in peace. We want to live in peace.

Q. What are your expectations from the joint anti-terror mechanism agreed to with Pakistan?

Let us see. The proof of the pudding is in the eating. How it [the mechanism] operates, how it functions. We have established it with hope

and expectations that it will be effective and delivers the goods. Let us see.

Q. Leading members of the Communist Party of Nepal (Maoist) are in Delhi. Is there any possibility of you or other members of the Government meeting them?

No. That is a matter to be dealt with the Nepalese Seven Party Alliance. We want the peace talks to succeed and the Maoists should join the mainstream of Nepal politics and make their own contribution to strengthening democracy there.

Q. Since they are in town ...

It's not a question of who is in town or who is not in town. It's a question of certain basic principles.

Q. There are Maoist leaders who remain in Indian jails. Will they be released?

These are matters to be decided by the courts, not by the executive.

Q. In Sri Lanka, what can India do to help the peace process along?

We do not want to involve ourselves directly. But, we are trying to suggest to the Sri Lankan Government and those who are taking the initiative [like the Norwegians] that the peace process should be expedited. There should be dialogue.

You know our stated position. We want that legitimate aspirations of the ethnic groups must be fulfilled within the framework of the Sri Lankan Constitution without affecting the territorial integrity of Sri Lanka.

Violence is not the answer — the answer lies in carrying on negotiations, however tortuous and difficult they may be.

Q. I'm aware that the LTTE is a banned organisation in India. But is there any way we can influence the LTTE to see reason and negotiate seriously with the Sri Lankan Government?

We do not have any discussions [with the LTTE]. It is a banned organisation.

Q. How is your job different now from the time you were External Affairs Minister last time (February 1995 to May 1996)?

A lot of changes have taken place. In the last 10 years, India's position has become stronger. India has emerged as a strong economic power. Now, everybody recognises that India's economy is going to be powerful. Keeping that in view, India's stature has also increased substantially.

Q. Does that make your job easier or more difficult?

Of course, it will be more difficult. There are more responsibilities, more expectations from India.

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030. Speech by External Affairs Minister Pranab Mukherjee at the Annual Diplomatic Dinner hosted by the Heads of Diplomatic Missions based in New Delhi.

New Delhi, December 7, 2006.

The Dean of the Diplomatic Corps, Ambassador Dago Tshering, Excellencies, Ladies and Gentlemen,

I am delighted to find myself amongst all of you so soon after the round of informal lunches that we had last month shortly after I took over as the Minister of External Affairs. I had said on those occasions that I saw them as only the beginning of an intense engagement with members of this august grouping. I would, therefore, like to place on record my deep appreciation to the Dean and all the resident Heads of Mission in New Delhi for inviting me this evening and providing me the opportunity to again share some thoughts with you about the tasks and challenges facing India, especially at a time when the country is assuming a more demanding role on the world stage.

Allow me to highlight briefly five major themes of some salience.

- 1 First, it goes without saying that India's external policy has to be fully in consonance with the remarkable changes taking place within the country. As you would have observed yourselves, the big story coming out of India is clearly the economic one. With the launching of economic reforms since the 1990s, the Indian economy has registered consistently high growth rates. The 9.2% growth witnessed in the last quarter of this financial year is the latest in this series of developments. I recall that the subject of a major business conference in India some years ago was: "Is 8% growth possible?" That question, one might say, has been answered. Our planners today are looking at a sustained growth rate that will approach and stay in the double digits over the next 15 years. It is only growth of this quantum that will enable us to create jobs, provide better basic services to the population and, most importantly, strike a decisive blow against rural and urban poverty in the country.
- 1 Sustaining this growth will obviously also have foreign policy dimensions. It will require deeper engagement with the outside world by way of increased access to international markets, sources of energy, advanced technologies and foreign investment. There would,

accordingly, be much greater focus on economic diplomacy in the pursuit of our economic interests. In view of this, the impasse at the Doha round of trade negotiations is a matter of the utmost concern. Orderly governance and conduct of global trade is a global public good and India will, therefore, continue to play its role in efforts to find an end to the impasse.

It is clear that the Doha outcome must expand trade opportunities for all; but it must also achieve development objectives and safeguard crucial developing country interests such as livelihood security, which are the avowed objectives of the Round. For its part, India also intends to expand and deepen its engagement with various economic groupings such as ASEAN, Mekong-Ganga Cooperation, BIMSTEC, IBSA, G-15, Indian Ocean Rim and the East Asian Community. In fact, early next week, I look forward to participating in the ASEAN-India Foreign Ministers' meetings, as well as some East Asia Summit related meetings, in order to carry forward the process of our engagement with one of the fastest growing regions in our neighbourhood.

The second point I want to make is that India's worldview is a multi-polar one. Today, the bandwidth of our political engagement and economic and technical cooperation with the rest of the world is wider than ever before. Proceeding on the assumption that major powers today have greater incentives to cooperate rather than to compete, India has embarked on forging strategic partnerships with all major powers of the world. We have entered into strategic partnerships with the United States, Russia, Japan and the European Union and are pursuing strategic cooperation with China. Through the IBSA forum, India is engaged with two leading emerging economies, Brazil and South Africa. We have also devoted a lot of our attention to ASEAN, as well as countries of West Asia, Africa and Latin America.

Our own immediate neighbourhood, naturally, remains an area of the highest priority for us. With our immediate neighbours, we are bound together by history, culture and ethnic ties, and the destinies of our peoples are closely intertwined. As we strive to build strong and enduring partnerships with all our neighbours, our endeavour has been to work together with these countries to create a space of prosperity and shared values based on economic integration, enhanced trade and investment linkages, stronger political and

cultural ties and promotion of sustainable social and economic development. We are deeply interested in pursuing regional and cross-border cooperation and in ensuring smooth functioning and secure frontiers.

It is an article of faith for us that South Asian region should have much closer economic integration. As the host of the next SAARC Summit in April 2007, we hope to carry forward this process. For improving connectivity in the region, we have offered transit facilities on reciprocal basis to all countries in the region, including greater air connectivity through a virtual open skies arrangement. Through a strengthened SAARC process, we hope to usher in a phase marked by strong economic growth. It is our hope, however, that one of the key steps in this process, namely, the full implementation of SAFTA, will be realized soon as this will provide a major boost to regional economic cooperation.

While speaking of India's engagement with the world, mention also has to be made of the crucial issue of UN reforms, particularly the expansion of the Security Council, and the inclusion of India as a permanent member. Enough has been said already about the need for reform of the UN so that it is more reflective of current day realities rather than the aftermath of a more than half a century old conflict. A strengthened, more democratic UN is a basic necessity of the new global order.

My third point is that global challenges facing humanity today require global responses. For countries to pursue segmented approaches to these challenges is to pursue fool's gold. This is true of the most pressing problems of the day, such as the scourge of international terrorism, the proliferation of weapons of mass destruction and related technologies, trafficking of arms and drugs, the increasing levels of violence and destruction perpetrated by non-state actors, pandemics and natural disasters, climate change and environmental degradation. We need coordinated transnational action to respond to these challenges. For India especially, violence and terrorism with cross-border inspiration, links and material sustenance constitute a major external security challenge. This and other similar global challenges will play a greater role in our security calculus. India will continue to work actively with friendly countries in strengthening regional and global security, participate in UN peacekeeping missions

and take necessary measures with regard to counter-terrorism and non-proliferation. Behind this is the recognition that peace and security are critical ingredients for the economic development that remains our primary goal. Through Your Excellencies present here tonight, I wish to reiterate the need for all our countries to increase our cooperation in the areas I have mentioned.

The fourth point I wish to make to you is that, in the comity of nations, India is a factor for stability. We present a model that, with all its imperfections, values and cherishes its governing framework of pluralistic democracy, secularism and the harmonious co-existence of a multiplicity of faiths, customs, ethnicities and languages. It is also a model that does not seek to export any ideologies. It is on this foundation that we are trying to build the India of tomorrow. Today, India is among the youngest countries in the world. In our endeavour to strengthen economic, commercial and investment linkages with the outside world, we offer opportunities that potential partners abroad could take advantage of. The areas are familiar to you – Information and Communication Technologies, pharmaceuticals, biotechnology, automotive manufacturing and knowledge-based industries.

In addition to a large market, a burgeoning middle class of over 300 million people and a relatively young self-confident population, India also has a sizable resource of scientific and technical manpower. While Indian companies are beginning to spread their wings by investing and trading far and wide, more foreign companies should start seriously looking at India for business opportunities as a manufacturing hub, a base for sophisticated R&D and for forging joint ventures. Infrastructure development and modernization in the country, which is a high priority for us, is yet another area of mutually beneficial partnership. The 7 million outbound Indian tourist market should be of wider interest outside since, with increasing prosperity, this figure is only likely to go in one direction – upwards. Facilitation of the movement of people for these activities is naturally important and, since I have a captive audience here tonight, let me state that easing the visa process for Indian entrepreneurs and professionals will go a long way in enhancing of business ties with India.

Finally, a point about process. Notwithstanding the multiple voices that you no doubt hear across the political spectrum in our democratic system, which is not only the biggest but also among the most vibrant,

it is quite evident that there is a broad national consensus on the core elements of our foreign policy. That various foreign policy issues have to sometimes run the gauntlet of intense debate in the parliamentary forums of the country is one of the inherent strengths of the process and ensures that the country's policies enjoy the broad backing that is required if they are to be pursued successfully. While pragmatism is an abiding feature of this process, there is no bar for proactive and path breaking approaches to be pursued by our policymakers.

Excellencies, Ladies and Gentlemen

I am not revealing any secrets to you when I tell you that making a dinnertime speech is a task fraught with a certain amount of risk. One needs to be sure that one has made one's point, but also that the evening is not unmade, as happened with the speaker who, puzzled at the length of his speech, was gently informed by his assistant that he had read all three copies of the speech!

So, not desiring to stand any further between you and the rest of the evening's proceedings, let me just thank you all for this opportunity of meeting you under one roof. I hope we will continue with this happy tradition of regular interaction among us. I also wish all of you a very happy, fruitful and enjoyable innings in India.

Thank you, Ladies and Gentlemen.

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031. Remarks of Prime Minister Dr. Manmohan Singh at the London School of Economics Asia Forum.

New Delhi, December 7, 2006.

I am delighted to be here today to open a conference in memory of a very dear friend Dr. I.G. Patel. My wife and I have fond memories of a lifetime of friendship with "IG", as we all knew him, and his charming wife Bibi.

I first met IG in 1954 before I went to Cambridge. He had just returned from the IMF and taken over as Deputy Economic Adviser to the Ministry of Finance. He gave me some sound advice for deriving the best possible benefit of my stay at Cambridge. This was the beginning of an association which lasted for over 50 years. When I returned home in 1957 after completing my studies at Cambridge, I was offered a job in the Ministry of Finance. However, I was under an obligation to return to my university in Punjab since I was in England on a scholarship given by that university and which required me to return home and teach at that university. So I could not join the government then. In 1962, when I was at Oxford, I.G. again invited me to join the Ministry of Finance. On this occasion too, I was unable to join the staff of the Ministry of Finance. It was more than a decade later that I finally did join the Government of India.

As Economic Adviser to the then Ministry of Commerce, I had frequent interaction with I.G. Patel who was then Secretary, Economic Affairs in the Ministry of Finance. In 1972, I moved to the Ministry of Finance as Chief Economic Adviser. That position gave me an opportunity to work very closely with I.G. Later on when I was Secretary, Economic Affairs and I.G. returned to India, after a tenure with the UNDP, as Governor of the Reserve Bank of India, I worked very closely with him in formulating India's macro economic policies. Because of his profound wisdom, knowledge and experience, I.G. was the natural leader of economists working in the Government. I, for one, learnt a great deal from him. In many ways, he was for me a friend, philosopher and guide.

The 1950s and the Sixties were a unique period in our developmental history. There was great interaction between officials in government and scholars in the universities, both scholars from India and from abroad. We had, I recall, several distinguished economists like Nicholas Kaldor, Joan Robinson, Milton Friedman, John Kenneth Galbraith, I.M.D. Little, W.B. Reddaway and Daniel Thorner who spent some time at our Planning

Commission. There was always a two-way flow of talent between institutions like the Delhi School of Economics and the Indian Statistical Institute and the various ministries of our government. This interaction enriched the quality of academic research, making it more policy-oriented, and also contributed, I believe, to creative thinking within government. It has become fashionable of late to deride everything that was done in the realm of economic policy in those days. There are critics both on the Left and the Right.

However, to be fair and honest, one must recognize that the early years after India's Independence were truly exciting times in India. Under the inspiring leadership of Jawaharlal Nehru, a new generation of our countrymen tried to write on a blank slate and create a new nation State. The Indian economists were active participants in the national debate to build a new India free from the fear of want and exploitation. There was much experimentation, since there were no known methodologies available for the construction of a new post-colonial nation. The political and intellectual atmosphere was charged with intense debate and discussion. Bold visions of a brave new world were being created on paper. IG was one of the many idealistic young economists who chose to participate in that great adventure of nation building. Under the leadership of men like Dr. V.K.R.V. Rao, Sir Chintamani Deshmukh, Prof. P.C. Mahalanobis and Prof. J.J. Anjaria, a new generation of brilliant economists that included K.N. Raj, I.G. Patel, Pitambar Pant, S.R. Sen, V.K. Ramaswami and many others joined government. Economists, scientists, scholars from various disciplines, worked closely with civil servants and political leaders to chart a new course for the Indian economy.

Men like IG, who preferred a career in government to a career in academia, provided that crucial link. It was both an intellectual link and a warm personal link. I confess I miss that environment today. I do hope we can somehow re-create it and facilitate greater lateral mobility, in and out of government, and a freer flow of ideas so that both policy and research are enriched through this process. In paying tribute to IG, I must also pay tribute to the London School of Economics and Political Science. LSE has always had a strong India link. Some of LSE's faculty, like Vera Anstey and Harold Laski, were extremely close to India and to Indians. Professor Laski had great many followers even among our political leaders at the time. Many of his students, like P.N. Haksar and our former President K.R. Narayanan, had distinguished careers in our government. Often their appointment to government service was based on a mere note of

recommendation from Professor Laski to Jawaharlal Nehru! Even before Independence, LSE contributed several distinguished economists to India, like Dr. J.J. Anjaria. In the early years after Independence there was a flood of them who returned home from LSE to participate in the great saga of national development.

The most prominent of them was K.N. Raj, who was recruited by Jawaharlal Nehru to help draft the First Five Year Plan at the tender age, I believe, of 27! What I have always appreciated about LSE is the emphasis on inter-disciplinary approaches in its academic programmes. LSE took a holistic view of social sciences and of development. Its faculty appreciated the links between economics, politics, sociology, anthropology and law in the development process. In more recent decades we see excessive specialization in social sciences, and economists fancy themselves to be social engineers and technocrats. But we must never forget that economics began, after all, as political economy. Economic policy making has always involved political choices since it has political consequences. IG belonged to a generation that recognized this ground reality.

He knew that the choices our economists were recommending for adoption by our country had to be marketed in the political marketplace of a functioning democracy. It was not enough that these choices were rational, or that their costs and benefits could be measured. It was not enough that the arguments were intellectually consistent or were mathematically tested. In a democracy such choices had to be also politically defensible and acceptable. It was a tribute to the holistic education that IG received at Cambridge that he was not only a good Economic Advisor, a good Finance Secretary, a good Central Bank Governor but also a good administrator who excelled in his understanding of the political economy of development. In the past century LSE has contributed a great deal to the economics of development, especially in Asia. I am, therefore, pleased that you have today an LSE Asia Forum. Just as LSE focused its intellectual resources on the development challenges facing the post-colonial developing world, it must now study in depth the growth dynamics in Asia and its implications for the world economy and polity at large. The most important development, I believe, of the 21st century will be the rise of Asia. China has already trebled its share of world GDP over the past two decades and India has doubled it. Both these giant economies of Asia are bound to gain a considerable part of their share of world GDP that they had lost during the two centuries of European colonialism. While Japan will continue to be at the top in the foreseeable future, the newly industrializing economies of

East and South East Asia will, I believe, grow even if not at rates we witnessed in the past two decades. Taken together, the rise of these Asian economies will alter the balance of income distribution at the global level. This need not worry the West, since a dynamic Asia can power global growth and provide new opportunities for growth for Europe as well as for North America.

But, it is essential that the West should come to terms with the consequences of the rise of Asia. In the long run of history, nations rise and fall. This in itself is not a new phenomenon. Regrettably, though, the record of history is found wanting as far as the ability of nations to deal with such ebbs and flows of history is concerned. One of the re-assuring aspects of the on-going growth process is that it is more orderly. Just as the world accommodated the rejuvenation of Europe in the post-War world, it must now accommodate the rise of new Asian economies in the years that lie ahead. What this means is that we need global institutions and new global "rules of the game" that can facilitate the peaceful rise of new nations in Asia. It also means that existing global institutions and frameworks of cooperation must evolve and change to accommodate this new reality.

This is as true for the reform and revitalization of the United Nations and the restructuring of the United Nations Security Council, as it is true for the management of multilateral trading system, or for the protection of global environment or for the security of world energy supplies. Western academic institutions played a leading role in shaping intellectual thinking after the Second World War to facilitate peaceful post-war reconstruction and development of Europe and of Japan. Once again institutions like the LSE must ponder over how the world can now accommodate the growth aspirations of the developing world so that the rise of Asia is peaceful. We often say that globalization is a reality that we must contend with. We also say that globalization offers opportunities as much as it poses challenges. That people and nations must learn to deal with both. But, there are still many unsettled questions pertaining to globalization. Even the discipline of economics has not addressed the phenomenon in a holistic manner. For example, while there is enormous, and quite longstanding literature on the benefits of free trade in goods and free flow of capital, the literature and policy on the free movement of people remains scanty and patchy. There are questions pertaining to the globalization of lifestyles, and its consequences for consumption, and their impact on the world environment. Is growth sustainable if development in the developing world merely mirrors the experience of the developed? It is not just that Third World households

may not be able to afford western consumption standards, our planet would not be able to do so.

If every consumer in India and in China, totaling up to almost 3 billion, want to live like people in San Francisco, Stockholm or Singapore, can they afford to? Can nature afford it? If not, how do we alter lifestyles and consumption patterns so that the growth process is sustainable in a more globalized world? I believe, a new generation of economists and social scientists have to once again write and draw on blank slates, like IG's generation did. There are, I believe, no textbook solutions. There are no pet answers, no clever models. The rise of Asia, and of the developing world in general, presents us with new challenges - new intellectual challenges, new technological challenges, new organizational and political challenges. I hope your forum, and forums like yours, will be able to inspire younger scholars to address these questions and seek answers. For the need of the hour is to do so. I wish your conference all success.

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ASEAN

032. Speech by Minister of State E. Ahamed for the Valedictory Function of the Programme for ASEAN Diplomats.

New Delhi, September 21, 2006.

Dean, Foreign Service Institute, Your Excellencies, Ambassadors, High Commissioners, Participants of the ASEAN Diplomats Programme, Ladies and Gentlemen,

1. I am pleased to be with you this evening for the Valedictory Function of the Programme for ASEAN Diplomats. The participation of 24 diplomats from the 10 member countries of the ASEAN has imparted to this programme a unique flavor that truly reflects the friendly relations and bonds of mutual understanding between member countries of the ASEAN and India.
2. India's Foreign Policy has always had a pronounced emphasis on relations with ASEAN countries. With a view to impart a new direction and momentum to this rapidly expanding relationship, India had consciously embarked on the now well known "Look East Policy", at about the same time as the programme of economic liberalization in India. Over the last 15 years since the commencement of this policy, we have been cooperating actively with ASEAN, in the initiative for ASEAN integration. At the Fourth India-ASEAN Summit, held in December last year, our Prime Minister offered assistance to Cambodia, Laos, Myanmar and Vietnam in setting up Centres for English Language Training and establishing a satellite-based tele-medicine and tele-education network. Many members of the ASEAN countries are also members of the BIMSTEC and the Mekong-Ganga Co-operation Initiative. More than 500 training slots, under Indian Technical and Economic Cooperation Programme (ITEC), about 20% of the total, have been earmarked for ASEAN. This reflects the importance accorded by India to its relations with members of ASEAN countries. The Professional Course which you have completed is in its own way a concrete expression of our policy.
3. Our bilateral cooperation finds expression in immediate past. For example, despite being affected itself by the Tsunami disaster, India

was among the first countries to respond to the international relief efforts which severely affected many ASEAN countries. In the last forty-five years, more than 75,000 Indian personnel have participated in peacekeeping missions in different parts of the world, including in Cambodia during 1991-94 under the auspices of United Nations.

4. I am aware that some countries of ASEAN see themselves as Pacific Rim Countries. Yet, the fact that they are among the most important countries on the littoral of Indian Ocean, is of special significance and importance for us in India. I was in Tehran earlier this year for the 6th Meeting of the Council of Ministers of the Indian Ocean Rim Association for Regional Cooperation. The significance of this Association can be gauged by the fact that the Indian Ocean sustains the maritime lifeline of over 50% of world trade. At the meeting, I expressed our readiness to share the experience gained in Mitigation of Natural Disasters and provide training for capacity building. I also stressed the importance of increased cultural interaction and tourism flows. As a strong economic unit, ASEAN countries have a special role in the IOR-ARC process. I would say that, with our own capabilities strengthened, we have been able to provide renewed impulse and added substance to the 'Look East Dimension' of our external relations. The role we see for ourselves is that of a partner in capacity building and sharing experience in the context of ASEAN.
5. Globalisation, the dominant theme of our times, poses its own questions and issues. Some of these would have been flagged and discussed in your programme. As diplomats, you undoubtedly have a privileged and wider view of the global stage. What is clear is that challenges thrown up by processes that are global will require collective responses. Therefore, foreign policies in our region will need to be managed in a way that the pursuit of self-interest of nations does not jeopardize the greater harmony of world relations. An environment of security, predictability and peace is essential for business to flourish and development to take place. Enhancing cooperation in the field of security is critical to our larger efforts aimed at building lasting economic ties.
6. Today, the principal threats to peace and stability in the world are not from wars between nations but from transnational terrorism. That is why, as we jointly work towards intensification of our economic

and other ties, India and ASEAN should not lose sight of the overarching importance of working purposefully and in cooperation to combat the menace of terrorism. The Joint Declaration on Cooperation in Combating International Terrorism and other Transnational Crimes that India and ASEAN have signed is reflective of our determination to effectively combat this menace.

7. In today's globalising world, economic cooperation is at the heart of relations between countries. It is the foundation on which the entire edifice of relations has to be built. India looks forward to a comprehensive engagement with all ASEAN countries. We would like to share our strengths for the development of the region and for mutual benefit.
8. We share unique cultural bonds with each of the countries of the ASEAN region. These bonds are far too many to be recounted here. I am told that during the course of this programme, you have been able to travel to Bodh Gaya, the birth place of Lord Buddha and also to Kolkata and Bhubhaneswar, located on the coast of the Bay of Bengal, our primary interface with the countries of the ASEAN region. You would no doubt have had an occasion to see for yourself many aspects of our shared cultural heritage reflected in social practices and religious beliefs. A substantive section of people in the ASEAN countries and in India want governments to build on our shared heritage. This includes multitudes of people of Indian origin who have settled in ASEAN countries over the last one thousand years. The Governments in ASEAN region and in India have a shared responsibility to ensure peace and harmony across our region, carry forward and build a fruitful scientific, technological and economical partnership, which the people of our countries desire. I am sure that this programme has offered you opportunities to go deep into the challenges and opportunities that the new millennium offers to the new generation of diplomats in ASEAN and in India.
9. One of the objectives of the Programme for ASEAN Diplomats was to acquaint participants with various facets of India – our polity, economy, society, history, culture and of course, our foreign policy. Perhaps, four weeks is hardly enough to understand a country, especially a country like India. However, I hope you have, at the end of your stay, an appreciation of our rich past and equally of the direction in which we are moving.

10. I would like to congratulate the diplomats from the ASEAN countries for successfully participating in the course. I hope you found the programme useful and enjoyed your stay in India. I wish you success in your endeavors. I also take this opportunity to convey through you our greetings and good wishes to your respective countries and people.
11. Let me conclude by pointing out that in most team sports like football, hockey and cricket, popular in our part of the world, a team comprises 11 players. India is delighted to complete the team of ASEAN 10. If you fancy the game of football or hockey, consider us as the goal keeper, a keeper of our shared cultural heritage and a preserver of peace and tranquility in our region. If you fancy cricket, consider us as an opener, a country which wants to open a long innings of prosperity, peace and tranquility in our region, in the new millennium. Thank you.

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BIMSTEC

033. Press Release of the Ministry of External Affairs on the Second Meeting of BIMSTEC Joint Working Group on Counter Terrorism and Transnational Crime.

New Delhi, May 5, 2006.

The Second Meeting of the BIMSTEC Joint Working Group on Counter Terrorism and Transnational Crime (JWG-CTTC) was held in New Delhi on May 04-05, 2006. It would be recalled that the first BIMSTEC Summit held in Bangkok on July 31, 2004 had decided to set up a Joint Working Group to strengthen joint efforts on counter terrorism and transnational crime, and the first meeting of the Joint Working Group on Counter Terrorism and Transnational Crime was held in New Delhi on December 9-10, 2004.

The Second Meeting of the Joint Working Group reviewed the Reports of the meetings of its four sub-groups on Legal and Law Enforcement Issues, Intelligence Sharing, Combating Financing of Terrorism and Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals. The Meeting decided on ways and means to further streamline the functioning of these four Sub-Groups. It also agreed upon concrete steps to strengthen cooperation among the BIMSTEC countries to make these Sub-Groups more vibrant and effective.

The Meeting was chaired by Mr. Rajiv Sikri, Secretary [East], Ministry of External Affairs, Government of India, who also led the Indian delegation. Other delegations to the Meeting were led by Mr. Anwarul Karim, Joint Secretary, Ministry of Home Affairs, Bangladesh; Mr. Tharchean, Senior Legal Officer/Under Secretary, Bureau of Law and Order, Ministry of Home and Cultural Affairs, Bhutan; Brig. Gen. Phone Swe, Deputy Minister, Ministry of Home Affairs, Myanmar; Mr. Deepak Kumar Shrestha, Counsellor of Royal Nepalese Embassy, New Delhi; Mr. Karunatilaka Amunugama, Additional Secretary, Ministry of Foreign Affairs, Sri Lanka; General Winai Phattiyakul, Secretary General, Office of the National Security Council, Thailand.

It was agreed that the next Meeting of the Joint Working Group will be held in Myanmar in December 2006.

034. Media Briefing on the BIMSTEC Ministerial Meeting held in New Delhi.

New Delhi, August 9, 2006.

Official Spokesperson (Navtej Sarna): Good Evening. I thought we should brief you on the just concluded BIMSTEC Ministerial Meeting in New Delhi. I also have with me **Mr. Bishnoi, Joint Secretary (Multilateral Economic Relations)** who can answer your more technical questions if you have them.

The Ministerial meeting itself was a one-day affair which took place today but was preceded yesterday by the Senior Officials meeting. The Indian delegation at the Senior Officials meeting was led by Shri Rajiv Sikri, Secretary(East). The Ministerial delegation was led by Shri E. Ahamed, Minister of state for External Affairs. We have a Joint Ministerial Declaration that has come out of the meeting and we will make that available on the website.

I would like to highlight some of the points of focus of the Declaration. Essentially, the Ministers decided to enhance cooperation in certain identified areas which are of mutual interest for the people of this region that BIMSTEC covers. In trade and investment, the decision was that the FTA should be concluded before the next summit. The next summit is to be held in February, 2007 in India. Second issue is transport and communication, because connectivity, particularly multi-modal connectivity, is a very big thing within BIMSTEC. On tourism, I can tell you, that it was decided to establish a BIMSTEC Tourism Information Centre in India as well as a BIMSTEC Tourism Fund.

Similarly, in energy cooperation which is another area of interest, it was decided that there should be a BIMSTEC energy centre in India and a technology transfer exchange facility for enhancing cooperation in technology exchange, scientific research, R&D etc. in the area of culture, there are several commonalities in this area within BIMSTEC. It was decided that a BIMSTEC cultural, industries commission and observatory should be set up in Bhutan. Counter-terrorism and transnational crime is another very important aspect and an aspect on which considerable cooperation is taking place even currently. There is a Joint Working Group on Counterterrorism and transnational crimes which has already held two meetings and it also has sub-groups which have been meeting. The third meeting of this group is to be held in December in Myanmar. Similarly, the

Ministers recognized that BIMSTEC Centre for Weather and Climate would be another important milestone for cooperation in handling environmental challenges, weather prediction etc. India also offered, as part of the people to people contact which is again of importance to us, to hold a BIMSTEC Film Festival likely towards the end of the year.

These are some of the areas. There are some others you will find in the Ministerial Declaration on which there was focus during the discussions. As I told you, the next summit i.e. the Second BIMSTEC Summit is to be held in India on February 8, 2007. It will be preceded by the Ministerial meeting which will be the tenth Ministerial meeting.

The BIMSTEC ministers collectively called on the Prime Minister today. Thereafter the Prime Minister hosted all of them for lunch. During the discussions over lunch the Prime Minister made several points. For instance, the Ministers should do all they can to convert BIMSTEC into an innovative and forward looking organisation which aims at realizing the vision of the founders of BIMSTEC. This vision should be translated into concrete areas of work. One of the major concrete areas would of course, would be the FTA and it was underlined that we should move as quickly as we can towards that. Prime Minister also pointed out that BIMSTEC also offers an historic opportunity of linking South Asia with South-East Asia. In fact not only that, BIMSTEC can be the building block for the larger East Asian community.

There were some bilateral meetings at the level of Minister of State. For instance, the Sri Lankan Foreign Minister and Minister of State for External Affairs, Shri E. Ahamed met yesterday. During this meeting, MOS reiterated that military solution is not possible in Sri Lanka and hoped that the Sri Lankan government would move very quickly towards negotiations with LTTE. The Sri Lankan Foreign Minister on his part said that war is not an option for his Government and they are keen to start negotiations. But according to him, the LTTE is providing to be intransigent. Also, there was bilateral meeting with Shri E. Ahamed for the Foreign Minister of Thailand and Shri E. Ahamed hosted a dinner yesterday in the honour of the Thai Minister. During this meeting they discussed a wide range of issues including exchange of high-level visits, bilateral cooperation in defence and security, counterterrorism, energy security, cooperation in renewable energy sources, BIMSTEC issues, civil aviation issues, enhancement of air links, improvement of connectivity between India and Thailand as well as the progress of bilateral FTA negotiations between the two countries.

Question: Are Nepal and Bhutan members?

Official Spokesperson: Yes, they are.

Question: Can you give us the new name of BIMSTEC?

Mr. Bishnoi: Bay of Bengal Initiative for Multisectoral Technical and Economic Cooperation.

Question: Can you give us an idea on FTA negotiations? What are the problem areas?

Mr. Bishnoi: The time line set for the framework agreement to begin implementation of the fast track was 1st July, 2006. So the time line has indeed been passed. The areas for which the agreement has still to be arrived are those relating to rules of origin and product-specific rules. FTA negotiations by their very nature are difficult. However, in the BIMSTEC FTA negotiations, all delegations see light at the end of the tunnel. It does not seem as if the problems are insurmountable. What would be required is to be speed up and have more meetings, to have meetings at various levels. The goal post is the second Summit to finalise the FTA.

Question: When you talk of counter-terrorism, you say there are bilateral problems that come in between, what are they?

Official Spokesperson: Countries may have bilateral problems but when these issues are discussed on a regional or multilateral basis, the essential prerequisite is that you do not get into discussing bilateral issues. What you do discuss are across the board strategies which will help you in countering this scourge to which most countries are victims. For instance, there are issues of exchange of information, intelligence sharing, legal and law-enforcement issues. I am not speaking specifically but, generally there are situations of putting in place a legal infrastructure Mutual Legal Assistance Treaties, Extradition Treaties etc. So these are all issues which cut across bilateral issues which essentially strengthen the entire region to counter terrorism and drug trafficking.

Question: You mentioned energy cooperation....

Mr. Bishnoi: Energy is definitely one of the most active areas and the activity was started when the First BIMSTEC Energy Ministers Conference held in October last year. They have also adopted a plan of action which involves a number of workshops, seminars in different years.

Those are all being held. One of the important decisions taken by the Energy Ministers Conference was to look at the question of grid connectivity. So there have been a couple on meetings on this subject. That is the aim that was decided upon by the Energy Ministers Conference. Given that so much is happening in this sector, it was desired by all member countries to cooperate in this area. A view was also taken that a BIMSTEC energy center should be set up which would act like a kind of Secretariat for cooperation in this sector. It would also provide training and exchange of experiences. The Memorandum of association of the energy sector has more or less finalized and we are getting into a situation of finding suitable land and putting up the physical premises and so on.

Question: What is the current volume of trade within the BIMSTEC countries? What are the targets FTA would envisage in terms of trade?

Mr. Bishnoi: I do not have the exact figures, but I can say that intra-BIMSTEC trade is fairly low. The reasons are primarily that of connectivity, transport and infrastructure and these are some issues that we seek to focus on. There are no targets as such at the moment, it would probably be done when the FTA is in place.

Question: Are there any specific projects BIMSTEC countries are considering in the area of connectivity?

Mr. Bishnoi: There was a decision taken last year in December to have ADB do a study of how to remove transport and connectivity bottlenecks within the BIMSTEC region. The terms of reference of the study have been agreed upon and it will soon be initiated.

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035. Joint Statement of the Ninth BIMSTEC Ministerial Meeting.

New Delhi, August 9, 2006.

(The Ninth BIMSTEC Ministerial Meeting was held in New Delhi, India on 9 August, 2006.

The meeting was attended by H.E. Mr. M. Morshed Khan, MP, Minister of Foreign Affairs of the People's Republic of Bangladesh, H.E. Lyonpo Khandu Wangchuk, Minister of Foreign Affairs of the Kingdom of Bhutan, H.E. Mr. E. Ahamed, Minister of State for External Affairs of the Republic of India, H.E. Mr. U. Nyan Win, Minister for Foreign Affairs of the Union of Myanmar, H.E. Dr. Ram Sharan Mahat, Finance Minister of Nepal, H.E. Mr. Mangala Samaraweera, Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka and H.E. Dr. Kantathi Suphamongkhon, Minister of Foreign Affairs of the Kingdom of Thailand.

H.E. Mr. E. Ahamed, Minister of State for External Affairs of India was elected Chairman by acclamation upon the proposal of the outgoing Chairman H.E. Mr. M. Morshed Khan, MP, Minister of Foreign Affairs of Bangladesh.

The meeting approved the Report of the Eleventh meeting of the Senior Officials held on 8 August, 2006 preceding the Ministerial Meeting. The Meeting also heard Statements by the Leaders of all the Delegations.)

At the conclusion of the Meeting the Heads of Delegation issued the following Joint Statement:

We, the Heads of Delegation of the Ninth BIMSTEC Ministerial Meeting, having gathered in New Delhi on 9th August, 2006 reiterated our commitment to the founding objectives and principles of BIMSTEC to accelerate economic and social growth in the region and noted with satisfaction the progress made since we last met.

We agreed to enhance cooperation in the following areas:

Trade and Investment

Affirming the importance of the Free Trade Area which will increase trade and investment, enhance competitiveness and promote socio-economic development, we urged that the negotiations on trade in goods under the FTA be concluded before the next Summit. We welcomed the

outcome of the meeting of the Trade Negotiating Committee held in Colombo in July 2006. We underlined the importance of regular Senior Trade/Economic Officials Meetings as well as the meetings of the Trade/Economic Ministers. We suggested that consideration be given to the early convening of the next round of these meetings. We also emphasized the importance of an early decision on the recommendations of the Task Force that has been mandated to examine the restructuring of the trade and investment sector.

We noted with satisfaction the meeting in Nepal of the Expert Group on the BIMSTEC Business Travel Card and agreed to further consider measures to facilitate business travel in the BIMSTEC region.

Transport and Communication

Recognizing that different modes of transport linkages are imperative for achieving connectivity amongst member countries to promote the movement of goods and people, we took note of the study to be conducted by ADB on BIMSTEC transport infrastructure and logistics. In this context, we underlined the need for ADB to work closely with governments of BIMSTEC member countries. We noted the various activities initiated in this sector, including capacity building through training programmes. We emphasized the need for more vigorous efforts for cooperation in the area of infrastructure including communication and port linkages.

Tourism

To enhance tourism in the region we underlined the need to move forward with a concrete Plan of Action based on decisions arrived at by the First Round Table and Workshop of Tourism Ministers and Travel and Tourism Industry Representatives held in Kolkata in February 2005, including establishment of a BIMSTEC Tourism Information Centre and BIMSTEC Tourism Fund. The Second Round Table and Workshop to be held in Nepal in August 2006 would review the progress made in this sector and provide impetus to our cooperation.

We also agreed that tourism should be promoted both within and from outside the region and that a concept of combined BIMSTEC destinations should be developed.

Energy Cooperation

We welcomed the decision to establish the BIMSTEC Energy Centre in India that would act as a focal point for strengthening cooperation in the

energy sector through sharing of experience and capacity building. We agreed to intensify our cooperation so that tangible outcomes can be achieved by the 2nd BIMSTEC Summit.

We emphasized the importance of sharing experiences and strengthening cooperation amongst member countries in the fields of grid connectivity, gas pipelines, hydro power, renewable sources of energy, energy efficiency, access to energy in all areas and energy sector reforms, restructuring, regulations and best practices.

Technology

We underlined the need to enhance cooperation in advanced areas of fundamental scientific research. We agreed that exchange of expertise in software and hardware development, as well as joint R&D in this field should be further promoted. We also encourage technology transfer and exchange of experience and data on Geographical Information System (GIS).

We welcomed the proposal to set up a Technology Transfer Exchange Facility. It was agreed that a concept paper would be circulated among member countries prior to an Experts Group Meeting.

Fisheries

We reiterated our commitment to step up our cooperation, including with our private sectors, to ensure the sustainable use of marine resources through effective conservation and management of the resources in the Bay of Bengal in accordance with international law.

We welcomed Thailand's offer to organize a workshop on Fisheries Cooperation in BIMSTEC in late 2006 to discuss the direction of future cooperation in this sector as well as details of the proposed joint survey under the Ecosystem-based Fisheries Management in the Bay of Bengal project.

Poverty Alleviation

We welcomed Nepal's offer to be the Lead country for Poverty Alleviation and also Bangladesh's offer to host the First Ministerial Meeting on Poverty Alleviation.

We welcomed Thailand's offer to share its experiences in combating poverty through various domestic policies based, in particular, on the philosophy of "Sufficiency Economy" which has proven to be a successful model for sustainable alternative development in Thailand.

Culture

We welcomed and accepted the offer of Bhutan to be the lead country. We welcomed the Paro Initiative and the Plan of Action adopted at the First BIMSTEC Ministerial Meeting on Culture. We also welcomed the proposal for the establishment of BIMSTEC Cultural Industries Commission and Observatory in Bhutan and directed that this be considered expeditiously at the expert level. We welcomed the offer of India to host the first meeting of the Expert Group to study this proposal.

We welcomed the offer of Bangladesh to host the Second Ministerial Meeting on Culture and the BIMSTEC Cultural Festival in April 2007.

Agriculture

We welcomed and accepted the offer of Myanmar to be the lead country. We look forward to identification of cooperative activities in Agriculture Sector. We welcomed Thailand's initiative to host a workshop on Agricultural cooperation in BIMSTEC in August 2006, which would provide an opportunity for the members to define the scope and direction of their cooperation.

We agreed to cooperate in R&D in alternative energy crops so as to promote cost effective bio-fuel production at the community level.

Counter-Terrorism & Trans National Crimes

We emphasized the importance of the work done by the Joint Working Group on Counter-Terrorism & Trans National Crimes including the work of the sub groups under the Joint Working Group in the areas of combating the financing of terrorism, intelligence sharing, legal and law enforcement issues and prevention of drug trafficking, and encouraged the Joint Working Group to continue its active work that could lead to reaching concrete areas of agreement and cooperation in this important sector. We approved the report of the 2nd meeting of the Joint Working Group on Counter-Terrorism and Trans National Crimes held in New Delhi on 4-5 May 2006, and welcomed that the 3rd meeting of the Joint Working Group would take place in Myanmar in December 2006.

Environment & Disaster Management

We welcomed and accepted India's offer to be the lead country. We appreciated the progress under the sector including the decision to establish the BIMSTEC Centre for Weather and Climate and various training

programmes and workshops in the area of remote sensing for environment and disaster management applications.

The establishment of the BIMSTEC Centre for Weather and Climate would be an important milestone towards improving weather observation and prediction techniques, with the intent of reducing the loss of lives and property, caused by weather and climate related natural disasters in the BIMSTEC region. We advised our officials to finalize modalities for the Centre before the 2nd BIMSTEC Summit.

We agreed to strengthen our emergency preparedness for natural disasters, especially through early warning systems. To this effect, we encourage networking between the BIMSTEC Centre for Weather and Climate and other existing regional institutions, such as the Asian Disaster Preparedness Centre (ADPC) and the SAARC Meteorological Research Centre.

We welcomed the offer of India to organize a workshop on cooperation in the area of remote sensing for environment and disaster management applications.

Public Health

We welcomed and accepted the offer of Thailand to be the Lead country and welcomed Thailand's offer to host a meeting on traditional medicines.

We agreed that intensified cooperation in this sector should also include prevention and control of infectious diseases, such as avian influenza, HIV/AIDS, polio, kala azar, malaria, TB and dengue fever. We noted with appreciation the scholarships offered by India in traditional systems of medicine and by Thailand for training programmes in public health.

People to People Contacts

We welcomed the offer of Thailand to be the lead country and the initiatives taken by Thailand in promoting people to people contacts, including its plans to organize for member countries a visit to Royal projects in northern Thailand. We underlined the need for all member countries to identify and initiate activities in this sector. We welcomed India's offer to organize the First BIMSTEC Film Festival.

BIMSTEC Website

We noted that work had been initiated for the maintenance of the

Website by the National Chamber of Commerce of Sri Lanka and the uploading of suitable material under the supervision of BWG.

We agreed that a monthly newsletter would be published on the BIMSTEC website by the BWG. We welcomed Sri Lanka's offer to explore the possibility of developing an intra-BIMSTEC network accessible only to authorized officials.

BIMSTEC Secretariat

We reiterated the need to establish a permanent BIMSTEC Secretariat and appreciated the work done by the First Inter-Governmental Experts Group Meeting and directed that the Experts Group further deliberate on the issue and submit, through the SOM, concrete recommendations to the Tenth Ministerial Meeting. We also appreciated the work of the BIMSTEC Centre in providing support for BIMSTEC activities through the BWG, as an interim arrangement pending the establishment of a permanent Secretariat. We also thanked Thailand for its continued financial support for the BIMSTEC Centre until June 2007.

Second BIMSTEC Summit

We noted with satisfaction BIMSTEC's achievements thus far and reaffirmed our commitment to further strengthening our partnership within the BIMSTEC framework. We expressed confidence that the Second BIMSTEC Summit to be hosted by India and proposed to be held on February 8, 2007 would carry forward our cooperative endeavours with renewed energy. The Second BIMSTEC Summit would commemorate the 10th anniversary year of the establishment of BIMSTEC and would provide an opportunity for our leaders to assess and review the progress made. Deliberations at the Summit would provide guidance on the future direction of cooperation and assist in shaping the vision for BIMSTEC to enable the region to achieve its full potential.

10th Ministerial Meeting

The 10th BIMSTEC Ministerial Meeting will be held in India.

C.I.C.A

036. Statement by Special Envoy of Prime Minister Murli Deora at Second Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA).

Almaty, June 17, 2006.

Your Excellency President Nursultan Abishevich Nazarbayev, Excellencies, Ladies and Gentlemen, it is my privilege to be present at such a distinguished gathering for the Second Summit of Conference on Interaction and Confidence Building Measures in Asia. I bring you the warm greetings of my Prime Minister Dr. Manmohan Singh and his best wishes for the success of this Summit. India attaches high importance to CICA. Prime Minister would have liked to be present today but has regretted that due to other urgent engagements he could not come.

We warmly welcome the two new members to the CICA family, Thailand and Republic of Korea, who have joined us since the last CICA Summit. India has traditionally warm and friendly relations with both of them.

Mr. President, I cannot but recall your address to the 47th Session UNGA in 1992, where you proposed the idea of CICA process and said "A journey of a thousand steps starts with the first step. It is by no means necessary to move towards a unified Asian structure and collective security in all these types of interaction at once". Today, as we gather for the second summit, we can proudly say that we have accomplished the initial steps. We have agreed to travel side by side, at a pace agreeable to all in our journey to promote peace and prosperity in Asia. India has had the privilege to be associated with CICA since its very inception and has extended its whole hearted support.

When one is in the land of Abai, the great Kazakh nationalist, philosopher and poet, it is natural to recollect one of his couplets which goes:

Rises the Sun and sets the Sun
time is always on the run
concept comes after concept
like the wind caught by none!

It is only through farsighted wisdom that a concept can be nurtured and developed into a tangible form. I congratulate you, Mr. President, therefore for your vision and statesmanship in launching and steering the CICA process. Let me also take this opportunity to thank you for the very generous and warm hospitality accorded to me and the members of my delegation by the friendly people of Kazakhstan.

India has always believed that CICA can help contribute to the development of a cooperative and pluralistic security order in Asia, based on mutual understanding, trust and sovereign equality. Since achieving independence in 1947, India has been at the forefront of initiatives to foster greater cooperation between the countries of Asia. The 1954 Panchsheel Principles and the 1955 Bandung Conference were important milestones in this process. We note that the Panchsheel Principles are identical to the CICA Declaration of Principles adopted by us in 1999. Asia presents a diverse picture which requires a unique Asian framework. Replication of models, perhaps successful elsewhere, may not necessarily be suitable for us. India has therefore always emphasized that CICA has to evolve its own approach, rooted in the realities of Asia. In CICA, we have recognized this diversity and the consequent need therefore to move ahead gradually, building upon the basis of consensus and voluntary participation. We have pledged to work together to build a cooperative architecture by enlarging the areas of common advantage and convergence. We believe that CICA should above all focus on and take collective steps to further economic cooperation and greater social and cultural interaction among the member states.

Mr. President, together we have a significant share of natural resources, global energy reserves and trade, but we also have to face the fact that a large number of our people are still afflicted by poverty and lack of development. Closer bilateral and regional economic cooperation among the CICA members can act as a powerful catalyst for both development and prosperity of our peoples as well as for resolution of difficult problems left over from history.

Mr. President, the process of globalization has led to emergence of new security threats and challenges. These include international terrorism and transnational crimes, including trafficking in drugs, arms smuggling, cyber crimes, international economic crimes and money laundering. At the Almaty Summit in 2002, we had adopted the Declaration on Eliminating Terrorism and Promoting Dialogue among Civilizations. We had collectively

decided then that the fight against terrorism had to be global comprehensive and sustained and not selective or discriminatory. Today, we see a re-emergence of forces, which spawned the culture of terrorism in our region. It is necessary for us to redouble our efforts to root out this menace to our common peace and security with single-minded focus. No cause, however noble, can justify killing of innocent men, women and children through acts of terrorism. We should commit ourselves to zero tolerance for terrorism.

The CICA Catalogue of Confidence Building Measures, which we adopted two years ago, elaborates a broad framework of confidence building measures in the economic, social and humanitarian dimensions as well for fighting against the new challenges such as terrorism and transnational crimes. Let us today set ourselves the task that we would try and encourage elaboration and implementation of these CBMs on the basis of principles enshrined in the Catalogue. Based on the collective experience gained in this endeavour, we could consider further steps for the evolution of CICA. Such an approach would be consistent with your very wise words Mr. President at the 1992 UN General Assembly, which gave birth to the CICA process.

I would conclude by assuring you of India's constant support and cooperation as we all move together towards our common destination of peace and prosperity for our peoples.

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COMMONWEALTH

037. Excerpts from the Statement of Defence Minister Pranab Mukherjee at the meeting of Commonwealth Foreign Ministers.

New York, September 23, 2006.

I thank Your Excellency for giving us an overview of the status of Commonwealth Action Programme for Digital Divide (CAPDD) which has recently been renamed as the Commonwealth Connects Programme (CCP).

Bridging the digital divide among different countries as also within them, is a major challenge of globalization in the modern world. India is one of the countries which has made rapid strides in the area of information and communication technology. Concomitant with our ongoing efforts to ensure that the benefits of the progress made in the ICT sector reach all sections of our society, India has been in the forefront of taking initiatives to promote cooperation among developing countries in this crucial area. India's pan-Africa E-network is a good example in this context.

India is strongly committed to CAPDD adopted at the last CHOGM in Malta in November, 2005, and had announced a commitment of one million Euros for this programme. We have designated a senior official to represent our Government on the Steering Committee and have already disbursed the first tranche amounting to Euro 175,000; an equal amount would be released before the end of the current financial year. We shall continue our efforts not only to meaningfully contribute to the implementation of this programme, but also to learn from the experiences of others.

I am glad to convey that our Prime Minister has, in principle, agreed to inaugurate the International Partnership Summit of the Commonwealth Connects Programme proposed to be held in New Delhi, preferably in the first quarter of 2007.

I have the further pleasure to announce that in addition to our existing commitments, India is willing to provide up to five experts for periods up to six months for assisting other Commonwealth countries in developing ICT capacity and strategies.

We are also ready to provide between 50-70 training slots for capacity

building in reputed institutions in India to fellow developing countries in the Commonwealth, through the Commonwealth Secretariat, in some other selected areas. These slots are in addition to the existing courses offered bilaterally to several countries in the Commonwealth under our ITEC programme.

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G-8 SUMMIT

038. Special Media Briefing by Foreign Secretary Shyam Saran on the visit of Prime Minister Dr. Manmohan Singh to St. Petersburg for G-8 Summit.

New Delhi, July 15, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good afternoon everybody. Thank you for turning up on a Saturday afternoon for this special briefing by the Foreign Secretary on Prime Minister's visit to St. Petersburg for the G-8 Summit. The visit begins tomorrow.

I would request the Foreign Secretary to say a few words and then we will take questions. Thank you.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Thank you very much. Let me add my word of apologies for dragging you out on a Saturday afternoon. I thought before Prime Minister leaves for St. Petersburg tomorrow morning I would just give you a background of the preparations for the G-8 Summit and the kind of issues that are likely to be addressed at the Summit. Also, we would be briefing you about some of the positions that India has taken on the points that we would be discussing at St. Petersburg.

Let me begin by saying that it has now become something of a tradition that when the G-8 annual Summits take place, India along with some of the other important developing countries is also invited for what has become known as Outreach Session. Just as we had, these countries participated at the Gleneagles Summit last year. Many of you would be aware that the countries which were invited were India, China, Brazil, South Africa and Mexico. It is the same group of countries who have been invited for the St. Petersburg Summit. But, there will also be Congo which is representing the African Union because Africa-related issues could also be a major theme of the Summit.

You might have seen reports that for the G-8, this particular Summit is to address mainly issues relating to energy security, the global infectious diseases, global health problems, as well as education-related problems. In addition, since Africa was a major theme at the Gleneagles Summit, this time there would also be a focus on Africa, in particular what progress has been made on the implementation on some of the recommendations which were made at the last Summit.

In addition, there will be discussion on issues of global security. Terrorism would certainly be an important element. There would also be a focus on world trade, in particular the follow up to the Ministerial Meeting which was held in Geneva which as you know was not a very resounding success. So, this is a gathering where some of the international trade related issues relating to the Doha Round would also be discussed. So, as you can see, there is a fairly important agenda, a very wide-ranging agenda.

On each of these issues the developing countries, the Outreach countries, would have in fact quite a great deal to say. What we have done is, as we did for Gleneagles, there are certain papers which India itself has circulated on different issues. The Outreach countries have also been meeting amongst themselves and they have harmonized their position on several of these important issues. This will form the input also for the G-8 Summit.

Prime Minister would be reaching tomorrow evening. Our plan is to have a meeting of the Outreach countries soon thereafter in the evening itself tomorrow. Thereafter, the next day virtually the entire forenoon including lunch would really be the Outreach Session where the G-8 Heads of State and Government would have a chance to interact in a very informal, in a very free atmosphere with each other at the Outreach Session. And the discussions on these various topics will continue over lunch and then the Summit would be over.

Now you may ask what really would be the expectations that we would have from the Summit. Of course, for us a very important area of focus is terrorism. This has acquired a very, I would say, topical dimension because of the events which have taken place in the last few days, the tragic terrorist bombing incidents in Mumbai and before that in Srinagar. So, terrorism is going to be, from our point of view, a very important issue that would be addressed at the G-8 Summit. We have been receiving messages of very strong support and solidarity from a very large number of countries including all the G-8 Heads of State and Government. Certainly our expectation would be that the G-8 will come out with a very strong statement on terrorism, the need for us to unitedly deal with the scourge of terrorism and the ideology of extremism and violence. So, for us that would be certainly a very important element.

As far as some of the other issues are concerned, as I mentioned to you, we have a great stake in the success of the Doha Round. We have a very strong commitment to a rule-based, multilateral, equitable world trading regime and a trading regime which takes development as its centerpiece.

It must provide for differentiated treatment of developed and developing countries. This is not really happening.

On major issues, for example on agriculture, we still do not have a spirit of flexibility among some major developed countries on the reduction of agricultural subsidies. There still does not seem to be a sensitivity to the requirements of the large developing countries who have vulnerable rural populations. There is the phenomena of subsistence agriculture. There is need for safeguards for the interests of these populations. So, from our point of view there are a number of issues of this kind which need to be addressed.

On the side of services we have certain strengths. We would certainly like a more liberal regime for the movement of professionals which again is hampered by a number of restrictions. So, there will be a number of issues that will need to be addressed. We would certainly take these up in a fairly strong manner at the Summit.

Then we come to the major issues that have already been put forward by Russia sometime ago, energy security. In fact from the point of view of Russia as well as from the point of view of other G-8 partners, energy security has become a very important overriding concern. As you now see, just on the eve of the Summit oil prices are hitting about 78 dollars per barrel. So, it has really concentrated the minds as it were on the importance of energy security, how do we deal with these kind of fluctuations, this kind of volatility in the energy market?

In terms of our strategy, we have always said that from the point of view of the developing countries our perspective is somewhat different. Our perspective is that for our development we need to increase energy consumption. It is not a matter of capping energy consumption or trying to reduce energy consumption. From our perspective, if we are to overcome the constraints on our development, we need to increase our energy consumption. How do we ensure that in this kind of an environment of volatility and an environment of rising energy prices? For long-term strategy we ourselves have committed India and we have advocated that we should diversify the energy mix. Our dependence upon fossil fuels should reduce. Over a period of time we should move to renewables and that we should have a large menu of energy resources that we should be able to draw upon. Of course, there are issues of energy efficiency, the balance between energy consumption and environmental protection. All these issues get interlinked. Of course, to some extent these issues were already addressed

at the Gleneagles Summit last year. But there would be a much more focused discussion at this Summit.

As I mentioned to you, we have also presented our own perspective on issues like education. Russia has come up with proposals for focusing attention on technical education, vocational education, generating employment through this kind of education, making education much more relevant to the requirements of our time. We certainly subscribe to that notion. We ourselves have suggested that in terms of meeting our goals for "Education for All" there have to be much more dedicated resources provided for education.

There is the issue of pandemics which will come under health. There again the need for us to have a global response, a global strategy particularly in terms of early warning systems, in terms of surveillance mechanisms to detect in a timely manner the emergence of this kind of infectious diseases, and some kind of a quick response mechanism, these are the kind of things which we would be looking at under the health item.

Africa – on our side we have indicated that we have already in place a very very elaborate programme of cooperation with African countries. You are aware of projects like the pan-African e-network. We also have programmes in Western Africa, the TEAM-9 initiative. There are a number of things which are happening between India and Africa which we have already given in the shape of a paper to the G-8. So, this is one area where India has already done quite a bit.

I think with regard to the elements that we would be taking up at the Summit itself I would confine myself to these issues.

We also look forward to the opportunity for the Prime Minister to have a number of bilateral meetings with several of the important Heads of State and Government who would be present there. As you know, the President of the United States, President of China, the British Prime Minister, the German Chancellor, the Japanese Prime Minister, they would all be present at St. Petersburg. There would certainly be opportunities for the Prime Minister to have exchange of views with them not only on the issues that are in front of the Summit but also on a number of bilateral issues. Thank you very much and I would be happy to take questions.

QUESTION: To what extent will Prime Minister be seeking greater pressure from the international community at the G-8 on President Musharraf to contain the terror network within Pakistan?

FOREIGN SECRETARY: I think the need for there to be a serious effort on the part of the international community to deal with the challenge of terrorism is self-evident. Prime Minister would certainly be making a very strong pitch at the G-8 for a united response. This is something which is not only a matter which affects India: it is a matter which affects the region, it affects us globally. You have seen the networks which have come to our attention whether you look at the London bombings, or what has been happening in other parts of the world. It is quite apparent that these are all interlinked. Therefore, you cannot have a segmented response to terrorism. I think the message which should come out from the G-8 is that the world accepts that there cannot be a segmented response to terrorism and that unless we are ready to work together and really look this problem in the face we do not really succeed.

QUESTION: Is a trilateral meeting with India, Russia and China also scheduled?

FOREIGN SECRETARY: There has been a proposal made by Russia for a trilateral meeting of the Prime Minister of India, Presidents of China and Russia but it has not yet been scheduled. So, we are waiting for a word from our hosts as to if and when this meeting would be held. Of course, we would welcome an opportunity for such a meeting.

QUESTION: You mentioned making pitch for a united response. What would that united response look like? What are you looking for from the international community specifically?

FOREIGN SECRETARY: Number one, there must be a very unambiguous expression from the international community that such acts of terrorism are totally unacceptable. If there is, as people say, zero tolerance for terrorism as far as the international community is concerned, then when something like this happens, that zero tolerance should be very clearly and unambiguously demonstrated. Secondly, we have said this before, it appears that as far as terrorist groups are concerned they seem to have much better international cooperation amongst themselves rather than the countries who are facing them. We need to have a network amongst ourselves to deal with such a global phenomenon.

There has to be greater information exchange. There has to be greater cooperation as far as intelligence is concerned. There should be a readiness to deal with each of these kind of phenomena without some kind of, as I said, segmentation that fighting terrorism in one part of the world is perhaps

much more important than it is in the other because that is really failing to look at the phenomenon itself because it is global. If you have to defeat it, then you must fight it wherever it occurs. That is what we are trying to put across. It is not just an India-Pakistan problem. I think unless there is a recognition that this is not just an India-Pakistan problem but this is a wider regional and global problem, it would be very difficult to confront it.

QUESTION: Are you somewhat disappointed that western nations have not condemned the Mumbai blasts as they should have? Are you planning to share any evidence with Pakistan on the Mumbai blasts?

FOREIGN SECRETARY: The first question, I think there have been a number of very strong statements by Heads of State and Government of western countries. So, to say that there has not been a good enough response from our point of view would not be correct. In fact we have received very strong messages of solidarity and support.

As far as sharing information with Pakistan is concerned, we have a mechanism through which we are supposed to exchange information. It is for our agencies to decide what they wish to communicate through those channels.

QUESTION: In the bilateral meeting with President Bush, would terrorism be a topic on the agenda? Is a bilateral meeting scheduled between India and Pakistan?

FOREIGN SECRETARY: Pakistan is not represented at St. Petersburg. With regard to the meeting with President Bush, I think it is for the two leaders to really decide what they want to talk about. But certainly for us a major item of concern would be terrorism. Certainly. But there are a number of issues on the bilateral agenda as well that the two leaders would be talking about. I am certain they will review the progress of the very wide-ranging agenda on cooperation that we have drawn up together between the two countries. I am sure they would like to know and like to assess how far we have made progress and what needs to be done in the future.

QUESTION: Sir, you said that there has been ambiguous response as far as terrorism is concerned. Do you feel that because of the ambiguous response the first casualty often is the on-going peace process between the countries? Here I am hinting at India and Pakistan. This type of lack of seriousness is to be perceived between the two countries as far as terrorism is concerned. Do you feel that the first casualty will be peace process between India and Pakistan?

FOREIGN SECRETARY: You see I am not predicting that the peace process will become the casualty. What I want to say is that the international context in which this meeting is taking place, the issue of terrorism has become an important topical issue; particularly when there has been only recently the bomb blasts in Mumbai. It has to be seen how it is connected with international terrorism – the bomb blasts in London, the bomb blasts in Madrid, you would have observed that the international reporting on this issue, the world media perceives some connection that the blasts that have taken place here have some linkages with similar blasts in other places. Where are its roots; it is also been seen. The leaders of all the big countries have issued highly condemnatory statements. Along with that we also want that there should be a coordinated global response. If there is a united response from the G-8 then the international terrorism will not be tolerated. This type of violence will not be tolerated. This will help other countries to work in coordination with a country like India to defeat terrorism; this will have a great impact.

QUESTION: Are you hoping that the G-8 leaders will name Pakistan? Otherwise, on terrorism do you want Pakistan to be named?

FOREIGN SECRETARY: We are not in the business of telling G-8 who they should name and who they should not. I think I have said enough that there is a certain urgency and there is a certain need for there to be an unambiguous, united, international response to terrorism, not just linked to this event but to see how this is interconnected with, as a global phenomenon and needs (a global response) just as there are other global issues which require global response. We are talking about energy security which requires a global response, we are talking about pandemics which requires global response. These are cross-cutting issues. These are transnational issues. We are saying, so is terrorism. So, just as you need a global response to other such issues, we need to get together and also deal with this. And wherever it occurs, it needs to be fought.

QUESTION: Which are the bilateral meetings that have been confirmed as of now which the Prime Minister will be having?

FOREIGN SECRETARY: In this kind of meetings it is always a little difficult to say in advance what these bilateral meetings would be. But I think it would be fair to say that Prime Minister would have an opportunity to meet almost all of the important leaders who are going to be represented at the Summit. There have been some requests from other countries who

are attending and there have been some requests from us. We are in the process now, our Mission in Moscow and our Consulate in St. Petersburg are right now in the process of going to tie up the loose ends and to schedule the various meetings taking into account the amount of time that Prime Minister has because Prime Minister would be having a very brief stay in St. Petersburg.

QUESTION: The NDA Government had said that it will have zero tolerance against terrorism. What is your Government's stand? Do you adhere to that policy? Do you think that the threshold has been crossed with the 7/11 Mumbai blasts?

FOREIGN SECRETARY: Number one, why are you making a distinction between me and the previous Government?

I think we have had zero tolerance for terrorism across several Governments. It is not something that is a Government-specific response. We have all along stated that we are very much committed to pursuing a policy of peace and friendship with Pakistan. We ourselves have taken the initiative to put in place a very large number of confidence-building measures. If you look at Kashmir specific confidence-building measures, virtually each and every one of them has come from India. If you look at some of the other confidence-building measures which have been put in place most of them are again at the initiative of India. So, I do not think that anybody can have a doubt in terms of India's commitment to taking this peace process, taking the dialogue process forward. But we have reminded again and again that our ability to take the peace process forward is very much integrally linked to the implementation of the commitments, very solemn commitments, unambiguous commitments, which are enshrined in the Joint Statement of January 6, 2004 in which Pakistan committed itself not to permit any part of the territory under its control to be used for cross-border terrorism against India.

Each time there have been incidents which have taken place, we have pointed out that our ability – in any democracy – to take this process is dependent upon our ability to have public opinion behind us. We must have the people of India behind us when we take this peace process forward. Every time something like this happens, it undermines public confidence. It undermines public opinion. Negative public opinion is created. Anger is generated. So, obviously, whether we like it or not, this becomes a question mark over the process. And what has happened recently is

really a playing out of what we have been saying again and again. If you ask me what is really the threshold, it is very difficult to predict what the threshold would be. But I think it would be fair to say that as a result of these terrible terrorist incidents it is becoming difficult to take this process forward.

QUESTION: My questions are related to Iran and Iranian Foreign Minister's visit to India. Yesterday, in a lecture you stated that while Iran voted against India on NPT several times which was not acceptable to India, India did not say anything against Iran? ...now when the Iranian Foreign Minister is coming to India, is India going to somehow remove that doubt between the two countries and try to heal the wounds? What are you going to specifically discuss with the Iranian Foreign Minister when he comes here? Day before yesterday the Iranian Oil Minister has rejected the pricing structure of Pakistan and India as far as the pipeline is concerned. He said that Iran cannot accept that pricing structure. What specifically are you going to discuss with the Iranian Foreign Minister on pipeline issue?

FOREIGN SECRETARY: I think I will leave it to the Iranian Foreign Minister to decide what he wishes to talk about. But we are very clear as to what our policy towards Iran is, and I think I have spelt out in great detail for you. If you keep insisting on finding negative elements in our relationship, I cannot help it. But I said very clearly that India places great value on what it regards as its civilisational ties with Iran. I do not think there should be any doubt about that. We have also stated in very clear terms that Iran is and will remain a very important energy partner for India. Iran is also very important to us in terms of our relationship with Central Asia, in relation with Afghanistan. So, if you are looking at the kind of relationship we already have with Iran, frankly I think the agenda for our meeting with Minister Mottaki could be a very substantial one.

As far as the pipeline is concerned, the negotiations are going on. I am certain that there will have to be further rounds of talks about issue like pricing issues, like security issues, like quantities. Let the people who are handling this negotiate the deal in the best manner possible. Eventually we will have to come to a deal which takes into account the interests of Iran and taken into account the interests of India and Pakistan. We cannot have something which is one at the expense of the other We have also said I think time and again that India's position concerning this particular project will be based on the economic viability of the project but, of course, taking into account the very privileged relationship that we have with Iran.

We would hope that Iran in turn when it deals with this issue, will also take into account this privileged relationship.

QUESTION: You said in G-8 a number of issues will be discussed: would the uncertain situation in Iraq will also be discussed? There is a report today that five Indian have been abducted there. Do you have any information on that?

FOREIGN SECRETARY: As I said, at the G-8 Summit there shall be discussion on the agenda items. Along with that it is natural that when so many world leaders get together, there shall be discussion on other issues as well. Problem are arising in the Middle East. There are the issues of Lebanon and Palestine which will be discussed. There is the issue of Iran which the P-5 +1 are taking to the Security Council; perhaps this shall be discussed too. There are similar other issues too which perhaps could come up for discussion. In between the issue of Iraq could also come up; and in the "Out-reach" meeting if this is raised, it could also be discussed but specifically this is not on the agenda.

The report you have referred to, we have seen it; but we have no confirmation of it yet. Whatever efforts we have made to get the information, we have received no confirmation.

QUESTION: British Prime Minister Tony Blair spoke about G-8 converting itself into G-13. What is India's response to that? What kind of role you visualize for India in the expanded G-8?

FOREIGN SECRETARY: We will leave it to the G-8 to decide whether it wants to convert itself to G-13. But I would like to certainly make the point that as far as certain global cross-cutting issues are concerned, the world already recognizes that it would be very difficult to resolve these problems and deal with these global challenges unless you have countries like India and, of course, countries like China and some of the other important developing countries like South Africa, Brazil also part and parcel of that global dialogue.

QUESTION: There is still some confusion as to whether the Foreign Secretary level talks between India and Pakistan will be held? What is the position?

FOREIGN SECRETARY: I do not know why there is confusion because what had been decided was that at the end of the Composite

Dialogue level various rounds on the various items of the Composite Dialogue there would be a meeting of the Foreign Secretaries, there would be a meeting of the Foreign Ministers, and there would be a meeting of the Joint Commission. What has not been determined certainly from our side are possible dates for these meetings. We will take a decision on this at an appropriate time.

QUESTION: In your presentation you have mentioned about harmonization of issues among the outreach nations. Could you elaborate on that? To what extent this harmonization plan goes and which are the issues on which a joint kind of position will be taken?

FOREIGN SECRETARY: What we have tried to do is to give inputs from our side on each of these agenda items. As I mentioned to you, we have had meetings amongst the five outreach countries themselves and we have found that in fact on almost all these issues we have a very convergent position. For example trade. As you know, we have a very carefully crafted, united kind of strategy by the developing countries. These are the major developing countries who are in the forefront in any case. So, we have set out positions concerning, for example, how to treat agricultural subsidies, the whole issue of non-agricultural market access. We have looked at the issue of safeguards particularly for developing countries, those who have large rural populations. So, on a number of these trade related issues we have certain common position and this has been communicated as a G-5 or as an outreach country position as an input for the G-8 and an opportunity to have a very free-wheeling exchange of view on some of these issues will, of course, take place when the Outreach Session takes place.

Then on energy security, again as far as the developing countries are concerned - and these five countries are concerned – our views are virtually the same because there is obviously going to be an impact on our development if we are going to face an environment of rising prices of energy which we are already facing. It is no longer something which is in the future. This is something the future has come today. So, how do we craft a strategy which takes into account our own specific developmental needs but put in the larger global context. We certainly believe that there should be a balancing of the interests of producers, of consumers, of transit countries. We certainly believe that we must have a strategy of diversification of energy supplies, that in long term we need to move away from fossil fuels to renewables. If we are going to move for clean energy

and clean development mechanisms, then the financial burden of this should not have to be borne by the developing countries themselves. There must be some kind of financing mechanism so that our requirements in terms of adopting these new technologies can be taken care of. So, on these elements there is a harmonized position.

On health, of course, the key issue for us is how do we have affordable treatment, affordable drugs available to enable developing countries, particularly the more poorer countries, to confront global challenges of, for example, HIV-AIDS. There we believe that developing countries themselves have certain strengths that they can bring to the table. Look at India's own pharmaceuticals industry. We are the fourth largest pharmaceuticals industry in the world. We are a very large producer of retroviral drugs at very affordable prices. So, we believe that if we have agreed that this is a global challenge which needs to be confronted with all the instruments which are available to us, then we need to look at how we can draw upon the strengths of some of the developing countries themselves in order to confront them. So, we also offer as developing countries what we can do in order to contribute to these efforts. It is not only that we are recipients, we are also partners in this effort.

On education, we have pointed out that in many areas of education, particularly technical education, centers of excellence are available in our own countries. And we have on our own in fact been offering these educational opportunities to many of our brothers and sisters in the other developing countries. So, if there is a global response required, then perhaps you should take into account the assets which are also available in developing countries themselves. Then you can craft a global response. These are some of the ideas which are incorporated in the inputs that we have provided to the G-8.

QUESTION: Will there be any meeting amongst India, Brazil and South Africa on the issue of permanent membership in Security Council?

FOREIGN SECRETARY: We do not have a separate meeting which has been planned. But I have no doubt that when the Prime Minister would be meeting some of the leaders on a bilateral basis this would perhaps come up also as a topic of conversation. As you know, what is happening now in New York is that a strong recommendation has been made that there should be a discussion in the General Assembly about the reform of the United Nations, the implementation of the Millennium Goals, and in particular the reform of the Security Council because everyone agrees

that expansion of the Security Council both in the permanent as well as in the non-permanent categories is inescapable. So we need to keep attention focused on that even though we may not have made much progress in terms of this reform being implemented but it should not fall off the international agenda. So, the G-4 along with other developing countries are working to see that this remains very much a focus of the global agenda. Thank you very much.

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039. Statement of Prime Minister on departure for Outreach Session of the G-8 Summit at St. Petersburg.

New Delhi, July 16, 2006.

I am visiting St. Petersburg to participate in the Outreach Session of the G-8 Summit which will be held tomorrow. We welcome the initiative of President Vladimir Putin, the Host of the G-8 Summit to extend an invitation to India. Brazil, China, Mexico, South Africa, Congo and Kazakhstan will also participate in the Outreach Session. The main issues on the Agenda include global energy security, education and fight against infectious diseases – all issues of vital importance to the global community.

It is our expectation that the St. Petersburg Summit will also provide a useful opportunity for discussions between the industrialised countries and major emerging economies of the world on issues such as security, world trade, terrorism and globalisation.

Terrorism is a scourge that continues to afflict different parts of the world. The tragic human cost that this entails was brought forth once again by the recent attacks in Mumbai and Srinagar.

We will impress upon the leaders gathered at the G-8 Summit that the international community must adopt an approach of zero-tolerance for terrorism anywhere. The international community must isolate and condemn terrorists wherever they attack, whatever their cause and whichever country or group provides them sustenance and support.

During my stay in St. Petersburg, I look forward to meeting world leaders present there: including President Putin of Russia, President Bush of the United States, President Hu Jintao of China, President Lula da Silva of Brazil, Chancellor Merkel of Germany and Prime Minister Koizumi of Japan. I will also participate in the first trilateral meeting at the Summit level with the Presidents of Russia and China, which will take place in St. Petersburg.

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040. Position Paper on Declaration by the Heads of State and/or Government of Brazil, China, India, Mexico, South Africa at the St. Petersburg G-8 Summit.

St. Petersburg, July 16, 2006.

Introduction

1. Global challenges today in the areas of energy security, education and infectious diseases can only be adequately dealt with through intensified international coordination and cooperation. In this regard we reiterate our proposal, made last year in Gleneagles, for a new paradigm for international cooperation, focused on the achievement of concrete and properly assessed results, taking fully into account the perspective and needs of developing countries. The increased participation of developing countries in the decision-making processes of the United Nations system and other international organizations, is essential to ensure more balanced and legitimate results.
2. In addition to the three topics to be examined at the Summit (energy security, education and infectious diseases), we also wish to call attention to the importance of mobilising financial resources for development, through innovative mechanisms supplementing the commitments made at the United Nations International Conference on Financing for Development. ODA We reaffirm the importance of concluding negotiations on the Doha Development Agenda in 2006, as an important outcome in enabling developing countries to benefit more fully from international trade.
3. In addressing the issues brought to the attention of the G-8, we emphasize the need to follow-up on the work programme on Africa launched at Gleneagles. As we focus on the issues before the Summit, we agree on the need to look carefully at the special needs of Africa.
4. We recognize that Africa is going through a period of renewed hope, based on its leaders's vision of promoting further regional integration with the goal of ensuring the socio-economic development of the continent. The resolution of violent conflicts which for decades have thwarted African potential is crucial. We stress the need to address the root causes of instability which are closely linked to poverty, social inequality and exclusion.

5. The international community should continue to co-operate with the African countries in their quest for peace, development and social justice. A true partnership must be established bearing in mind the views and needs of African countries and people. South-South co-operation is of particular value in that regard.

Energy Security

6. Energy security constitutes a vital and strategic issue for producing and consuming countries alike. Affordable and reliable energy resources are basic requirements for sound economic and social development as well as world peace and stability. The international community must endeavor to put in place fair and equitable conditions for the long-term sustainability and predictability of energy supplies, at reasonable, competitive prices. Energy security can be enhanced by exploiting locally available resources in a sustainable manner. Development of all feasible hydropower potential in an optimal manner needs to be accelerated.
7. We express concern at the negative impact of soaring energy prices on our development efforts in recent years. We favour the establishment of an international energy order that is fair, equitable, secure and stable, to the benefit of the entire international community. We support an inclusive dialogue on energy, capable of creating a political environment conducive to the peaceful settlement of disputes through consultation. This dialogue should involve exporters and consumers and the International Energy Forum. In this regard we welcome the initiative taken to hold two Round Tables in New Delhi, in January and November last year, which brought together principal Asian consumers with important regional producers.
8. Global and regional integration is a fundamental dimension of the debate on energy security. We stress the importance of more compatible and balanced regulatory frameworks both at the regional and global levels. Expanding regional cooperation can facilitate faster development of energy resources by sharing best practices and promoting regional trade in energy.
9. We emphasize the significance of technological cooperation in energy research and development to augment and diversify the energy supply by developing more efficient, affordable and cost effective energy technologies, including fossil fuel technologies and renewable energy technologies aiming at energy production and

consumption, and thereby leading to greater efficiency. We call for improved access to these technologies and pledge to work with developed and developing countries in sharing knowledge and expertise for development of such technologies. In this context we also emphasize the need to develop new forms of cooperation in nuclear energy.

10. Diversification is a central element in any definition of energy security. We encourage the development and use of alternative sources of energy to enhance sustainability. New forms of energy that are clean, safe and economically efficient should be fully explored. In this regard, ethanol, biodiesel and other bio-fuels - can play a greater role in the diversification of the global energy mix, as well as in reducing emissions of greenhouse gases from anthropogenic sources.
11. Energy security is not an end in itself. We must look beyond energy security towards broader development objectives in order to ensure successful synergies among energy security, development and the environment. As our economies develop, our energy consumption will inevitably grow, which in turn will require individual and collective efforts to ensure economic and environmental sustainability.

Education

12. We call upon the international community and G-8 members, as well as UNESCO and all International agencies to strengthen cooperation towards the achievement of the Millennium Development Goals and the Dakar Goals. In this context we welcome and support the development of UNESCO Global Action Plan to achieve core "Education for All" goals and recognise the importance of the Monterrey Declaration of the E-9 countries.
13. We recognize the need for the education system to instill respect for diversity in terms of race, culture and religion. Governments have a primary role to play in ensuring a conducive environment and improving cooperation in this regard.
14. We encourage the sharing of good practices, both between countries of the North and the South and among developing countries, for accelerating progress towards EFA. The use of Information and Communication Technologies has proved essential towards improvement of educational systems. We urge developed countries

to share their expertise and transfer technologies and resources, thereby enabling developing countries to employ more advanced technologies.

15. We welcome the development of mechanisms such as debt cancellation, debt reconstruction and debt swaps. International initiatives such as the Fast Track Initiative and the International Funding Facility have wide political support and have demonstrated their utility. However, donor countries need to step up their assistance with a view to consolidating long term and predictable financial support.

Infectious diseases

16. Infectious and chronic diseases are a common enemy of mankind. We stress the urgency of dealing with infectious diseases by addressing them as a strategic issue, affecting both economic growth and social stability worldwide. Through a global partnership, we must strive to make a decisive contribution to international efforts to prevent and treat infectious diseases.
17. While communicable diseases pose a particular challenge in developing countries, the increasing importance of chronic diseases needs to be recognized. Further attention is required to monitor and contain human influenza and other vaccine preventable diseases.
18. Infectious diseases such as HIV/AIDS, tuberculosis, malaria, and avian influenza, pose daunting challenges that must be tackled through more efficient cooperation and greater financial resources as mentioned in the Millenium Development Goals. No nation is invulnerable and no disease can be effectively controlled without international cooperation. A comprehensive response is necessary to end the unacceptable scale of mortality, which is particularly high in developing countries.
19. We reiterate the need to reduce major trade barriers to facilitate access to new affordable quality vaccines, medicines, diagnostics and technology aimed at preventing and controlling infectious diseases. The flexibilities contained in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and recognised by the Doha Ministerial Declaration on TRIPS and Public Health should be fully used to protect public health.

20. An effective global response requires a global monitoring system that can help to prevent, identify and control the spread of infectious diseases. We encourage G-8 countries to help setting up a platform for sharing and exchanging information and best practices on the prevention and control of infectious diseases. We urge the Leaders of the G8 to collaborate with developing countries in improving capacity as regards health services, and access to treatment and research, with special focus on Africa.
21. We welcome the Political Declaration adopted by the 2006 High Level Meeting on HIV/AIDS "Uniting the World Against AIDS". We reaffirm our commitment towards the goal of universal access to comprehensive prevention programmes, treatment, care and support for persons affected by HIV/AIDS by 2010.
22. We express our support for and urge donor countries to maintain, and if possible increase, funding in a sustained and timely manner to benefit initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Fund to combat Polio and the Global Outbreak Alert and Response Network that are helping to fight, prevent and control other infectious diseases. We welcome the proposal for the establishment of an international drug purchase facility, to be known as UNITAID, which represents an effort to raise additional funds through innovative means. Efforts have to take into consideration that, while fighting infectious diseases, it is important to give special attention to vulnerable groups in order to target the disease through intensive actions, for example: TB with AIDS, TB/AIDS with Injecting Drug Users, TB/AIDS with Poverty.
23. We stress the need for adequate mechanisms through which developing countries, in particular least developed countries, can receive support from international organizations and financing sources in order to: strengthen their epidemiologic surveillance systems; build human resources and provide training; produce vaccines, medicines and inputs necessary to control infectious diseases and guarantee their availability.

Trade and the Doha Agenda for Development

24. We are committed to strengthening the multilateral trading system and view with great concern trends towards raising protectionism in developing ed countries. The World Trade Organization is the sole

forum for global trade rule-making and liberalization. The majority of WTO members are developing countries and their interests must be at the heart of the current round of trade negotiations. The Doha Round is the best chance we have to open world markets, level the playing field, share wealth and create jobs. This is a Development Round and it must create new opportunities for the developing world.

25. Poverty alleviation and development promotion are not only ethical and economic imperatives, they are also essential for a stable world economy. All nations, especially the poorest ones, must benefit from the opportunities created by international trade. A significant substantial reduction of agricultural subsidies and improved market access for agricultural and other products will increase the competitiveness and improve living standards of developing countries.
26. Subsidies, high tariffs, tariff peaks and tariff escalation in developed countries and other trade barriers in developed countries generate distortions in the world agricultural market that affect the lives livelihood and survival needs of millions of people around the world, particularly in poor countries heavily dependent on agriculture. The elimination of such practices must not be deferred indefinitely. The international community is increasingly aware of the fact that agricultural subsidies in developed countries are not only immoral but often illegal. By keeping these privileges for themselves, rich countries are exporting more poverty to already poor countries. In addition to the elimination of export subsidies, it is necessary urgent for developed members to undertake serious effective commitments in both domestic support and market access to unblock the round. In the negotiations, the issue of recently acceded developing members should be addressed properly and effectively.
27. Deadlines have been set and repeatedly missed. Some offers on the table have fallen short of the level of ambition and of the principle of proportionality found in the Doha mandate. A consensus can be reached only if development is made the kernel of the negotiating Round and the principle of special and differential treatment incorporated integrally in all aspects.
28. Believing that concessions made by developing countries will magically unblock negotiations is an illusion. In order for the Round to live up to its development goals, developed countries must assume

their responsibility in moving the process forward. The key to the end of distortions lies in the hands of those who distort. The world's poor must stand as the main beneficiaries of a fair, balanced and comprehensive outcome. Our vision of a final deal is one where rich countries will make larger concessions, developing countries will also contribute with important efforts and the least developed will not be expected to make concessions. In addition, developed members should implement duty free and quota free treatment to least developed members as early as possible.

29. A number of pressing issues need to be addressed in the coming weeks. Time is running out. The engagement of world leaders is urgently required to break the deadlock. New impetus must be given to the negotiations. A fresh impetus needs to be given to the negotiations that are underway in all areas. All parties must show a readiness to look beyond their narrow interests. Parties must work together to ensure that international trade will be based on open, equitable and non-discriminatory rules. We urge leaders attending the summit to strive for a high level of ambition, with equitable results, and rise to the challenge of ensuring a speedy and successful conclusion of the Doha Round in 2006. We urge leaders attending the Summit to strive for a high level of ambition, with fair and equitable results of the Doha Round in 2006, which meet the development imperatives of the developing countries.

Mobilisation of Financial Resources

30. The Millennium Summit represents the culmination of a historical process seeking to locate the fight against poverty as a key priority in the international agenda. Building upon the spirit of the Millennium Declaration, the International Conference on Financing for Development, held in Monterrey in 2002, brought focus to the timely implementation of the Millennium Development Goals (MDGs) which is of paramount importance to achieve stability, security and world peace.
31. As a result of the commitments undertaken by the international community in the Monterrey Consensus, progress has been registered in moving towards the achievement of the Millennium Development Goals, particularly in matters such as: i) debt elimination for a relevant number of highly indebted poor countries; ii) increase of ODA flows; and iii) a higher and better coordination among

economic multilateral institutions in order to achieve the MDGs.

32. Additional efforts are necessary if we are to comply with the MDGs within the deadlines originally agreed upon in 2000. The Action against Hunger and Poverty initiative, launched by the Heads of State and Government of Brazil, Chile and France and supported by a significant number of countries, identified and agreed to develop possible innovative mechanisms to finance development. With the aim of advancing further, the Paris Conference on Innovative Financing for Development, held last March, examined different options for new and innovative financing mechanisms. These mechanisms should be geared to mobilise public, private, domestic and external sources in order to increase and supplement the ones identified in the Monterrey Consensus.
33. The timely and successful fulfilment of the MDGs constitutes the starting point for the definition of long-term development strategies capable of resulting in the permanent elimination of hunger and poverty. Reaching the goal of 0.7% of GNP for ODA is a real and urgent need.
34. Further steps towards international agreements on financing for development, should take into account criteria different from those related exclusively to total GDP, given that in the developing countries which do not belong to the HIPC initiative, poverty and hunger often continue to afflict large segments of the population. At the same time, it is understood that special efforts must be directed towards the least developed countries.
35. The need to intensify efforts to raise additional financial resources for development is relevant to the debate on the issues placed before the G-8 Saint Petersburg Summit. In order to win the fight against hunger and poverty, infectious diseases and inadequate education, we must assume our shared responsibility in the search for mechanisms capable of channelling the necessary resources to fulfil common development objectives.

041. Indian Non Paper on “International Cooperation for Global Energy Security” at the St. Petersburg G-8 Summit.

St. Petersburg, July 16, 2006.

1. India, and other developing countries, face formidable challenges in meeting their energy needs. India needs to sustain 8-10% economic growth to eradicate poverty and to meet its economic and social development goals. To deliver a sustained growth of 8% through 2031, India would – in the very least – need to increase its primary energy supply by 3 to 4 times and electricity supply by 5 to 7 times of today’s consumption. This is despite the fact that India’s energy intensity of growth is about half of what it used to be in the early seventies and is continuously declining. Currently, India consumes 0.19 kilogram of oil equivalent per dollar of GDP expressed in purchasing power parity terms. This is equal to the energy intensity of the OECD and better than the world average of 0.21.
2. India’s energy security, at its broadest level, has to do with meeting the lifeline energy needs of its population. Per capita energy consumption in India is only one-fifth of that in OECD countries. For electricity, the proportion is skewed even further, with per capita consumption being only one-twentieth of the OECD figures. The realization of India’s development goals cannot be possible without a significant increase in energy consumption. While India is committed to the path of sustainable development and follows environment friendly policies in its own interest, it cannot accept any commitment that limits the growth of its energy consumption or to any particular pattern of energy use.
3. Energy security is a global challenge and calls for concerted global action. National efforts to achieve energy security, without the benefit of international cooperation, can only yield limited results. The St. Petersburg G-8 Summit and the meeting with outreach countries provides a useful opportunity for Governments to commit themselves to stabilization of energy markets, use and development of renewable sources of energy and ensuring the environmental sustainability of energy development.

An environmentally friendly approach

4. Lowering energy intensity of GDP growth through higher energy efficiency can be a central element of an environmentally friendly approach for sustainable development. Effecting energy efficiency amounts to creating a virtual source of untapped energy. Efficiency can be increased in energy extraction, energy conversion, energy transportation, as well as in energy consumption. Further, the same level of service can be provided by alternative means requiring less energy. While there is on-going work on energy efficiency in both developed and developing countries, there would be merit in networking the main centres of R&D.
5. A diversification of the global energy mix, in the medium to long-term, to increase the share of renewables would also be an environmentally friendly approach for achieving energy security. Renewable energy sources are often available locally, making it possible to supply energy earlier than in a centralized system. Grid connected renewables, on the other hand, improve the quality of supply and provide system benefits by generating energy at the ends of the grids where otherwise supply may be lax. Cooperative international action can go a long way in addressing the high development cost presently associated with renewables.
6. From the point of view of India and other developing countries, it is also important that the international community fully abandons its reservations relating to hydro-power. Developing countries have significant potential for hydro-power which is a renewable and relatively clean source of energy. There is a need for the international community to direct its efforts to find sustainable and viable solutions to issues posed by large hydro-power projects while addressing their potential.

Stability of Energy Markets

7. Stable and reasonable oil and gas prices are in the interests of producers and consumers alike. Stability is necessary to ensure that growth prospects of consuming countries are not hampered and, on the other hand, that investment in producing countries is promoted.
8. Predictability is a key element for stability, security and sustainability of the global oil and gas economy. In this context, it is important to enhance transparency of and access to all relevant data relating to reserves, demand, supply and investment.

9. Mutual cross investment to reinforce mutual trade in oil and gas and associated downstream industry would also promote stability in the oil and gas economy. Joint investments by producing and consuming countries should be considered in infrastructure for exploration, production and transportation, as well as in refineries, gas processing plants, power generation stations and petrochemical units. Initiatives to improve the investment climate would be particularly useful.

Additional Supply Routes for Oil and Gas

10. The development of gas and oil interconnections through LNG and through transnational oil and gas pipelines would promote greater integration of energy markets. Since pipelines run across borders, there is a need for countries to work together to secure funding, to agree on routes and to set equitable transportation tariffs. It would be useful, in this context, to initiate studies on various alternative linkages between producing and consuming countries, by land and by sea.

Regional Markets for Petroleum Products

11. The Asian continent roughly accounts for half of global oil production. Asia also accounts for a major share of incremental global oil demand growth and will soon emerge as the largest energy consuming region in the world. An enhancement of cooperation in the Asian oil and gas economy, within the framework of global cooperation, would promote stability, security and sustainability of the hydrocarbon economy.
12. There is presently no well-developed oil products market in Asia. Buyers, therefore, cannot hedge risks and sellers get less for their products than they would elsewhere, because of relatively inefficient and volatile markets.
13. The creation of a regional market in Asia for petrochemical products should be explored. The market should have the backing of key buyers and sellers and have the financial sophistication to enable risk hedging.

Nuclear Energy

14. India has accorded prominent place to developing nuclear energy for meeting its energy needs. As a safe and sustainable source of energy, nuclear energy will remain an indispensable component of our energy mix. India has developed a comprehensive indigenous capability covering all aspects of nuclear fuel cycle from mining to

waste disposal. India is also implementing plans to increase the share of nuclear energy. The pace of this programme can be hastened with greater international cooperation.

15. Full international civilian nuclear cooperation with India can contribute to our efforts for promoting nuclear power and will help in enhancing energy security both for us as well as for world at large. This will also go a long way in ameliorating concerns related to global climate change and ease pressure on the limited global reserves of fossil fuels. Thus it would be in the interest of the international community as well to take necessary steps to enable full civilian nuclear cooperation with India.
16. India understands fully that the international cooperation in this sector can begin only when the international regimes have been adjusted and when the international community is assured that such cooperation will be used only for civilian and peaceful purposes. As regards the latter, India is committed to providing this assurance and has already taken steps on this count.
17. The G-8 and the outreach countries participating in the St. Petersburg Summit can make a significant contribution by supporting the adjustment of international regimes to enable full civilian nuclear cooperation with India.

Knowledge Networking

18. A network could be established between institutions of developed and developing countries that are engaged in R&D in energy efficiency, clean technologies and renewable sources of energy. The model that could be followed is of the Consultative Group of International Agricultural Research that brings together 15 international agricultural research centres for mobilizing science for the promotion of agricultural growth.
19. Collaborative R&D work done through the network could be made available to developing countries free of charge. The G-8 can indicate their support for such a network at the St. Petersburg Summit by an announcement of seed funding.

042. Indian Non Paper on “International Cooperation for fight against Infectious Diseases” at the St. Petersburg G-8 Summit.

St. Petersburg, July 16, 2006.

1. The fight against infectious diseases — both the known, old ones and the new, emerging ones — represents a formidable challenge to the international community. Globalisation, urbanisation and increased international travel have added to the potential for the rapid spread of infections. Infectious diseases are particularly challenging for developing countries as they divert resources from the core issues of poverty eradication and social and economic development. It is also true that poverty and underdevelopment are themselves major contributors to emerging and re-emerging infections.
2. The focus on the fight against infectious diseases is commendable as no disease can be effectively controlled without international cooperation. For such cooperation to succeed, it is necessary that there be adequate attention on the needs of developing countries.

Capacity building

3. Disease-specific assistance can, by itself, not provide a sustainable shield against re-emergence of infectious diseases. It is important to also address the basic capacity constraints of the health sector in developing countries. There is a need to improve capabilities to absorb resources and for the effective delivery of services. Country level surveillance of important communicable diseases also needs to be strengthened.

Networking and strengthening of surveillance

4. Inter-country networks can help in addressing cross-border and transnational health issues. At a regional level, such networks could be used for:
 - Linking of country level surveillance systems
 - Sharing of information, experiences and best practices
 - Sharing of technical guidelines, operating manuals and standard treatment protocols/regimens

- Linking of laboratories with a focus on quality assurance, bio-safety and bio-security
- Outbreak investigation and management

Triangular cooperation

5. The experiences of developing countries are likely to be more relevant to other developing countries. The support provided by such countries would also be more cost-effective. Countries like India can, with financial support by developed countries, cooperate with other developing countries in strengthening disease surveillance, training in field epidemiology, training of rapid response teams etc.

Joint stockpiling of drugs for avian flu

6. Access to known antiretroviral drugs for H5N1 is hampered by capacity limitations and prohibitive costs. The work done by WHO is useful. It, however, needs to be further strengthened to deal with the panic that can be caused by the very real threat of an avian influenza pandemic.

Access to drugs

- 7 Major barriers, including those relating to pricing, tariffs and trade and regulatory policies need to be addressed to facilitate affordable access to new vaccines, medicines, diagnostics and technology for preventing and controlling infectious diseases. The flexibilities contained in the WTO Agreement on Trade Related Aspects of Intellectual Property Rights need to be used fully to achieve price reduction and enhanced access to treatment by patients in developing countries.

Creation of capacity in the veterinary sector

8. The role of zoonotic diseases needs more attention by the international community. The outbreak of avian influenza has highlighted the need to address animal health surveillance and the strengthening of veterinary capacities. However, animal health is a relatively under-funded sector in most developing countries and needs to be strengthened through international co-operation.

043. Indian Non Paper on “India’s Partnership with Africa” at the St. Petersburg G-8 Summit.

St. Petersburg, July 16, 2006.

1. India’s relations with Africa are built on the strong political foundation of the past. We were close partners with Africa in the fight against colonialism and apartheid. The goodwill of the past is evident in the close relationship that India has today with the countries of the African continent.
2. India is today looking at the more contemporary challenges of economic and social development in its relationship with Africa. The relationship is not one of donor-recipient but of partnership for mutual benefit.

Technical assistance

3. The Indian Technical and Economic Cooperation Programme (ITEC) is almost four decades old. It has enabled us to share a wide range of training facilities and project expertise with our friends from Africa. India’s development experience has a special relevance for African requirements. Over the last five decades, through an incremental process of trial and error, we have forged a development paradigm that – within the context of a diverse, pluralistic democracy – is truly unique. Our approach has focused on strengthening ‘South-South’ linkages and promoting self-reliance through transfer of technologies appropriate to the needs of our partners. In monetary terms, we have spent over a billion dollars on our cooperation programmes with Africa and continue to provide training annually to almost 1,000 officials in various capacity-building programmes. This is apart from the over 15,000 African students who join Indian Colleges and Universities every year.

Lines of credit

4. We recognize that technical assistance alone is not enough. The process of economic development also requires access to low cost capital. We are not a rich country in terms of per capita income but the accumulation of a relatively comfortable level of foreign currency reserves has enabled us to offer concessional lines of credit. Taken together with our lines of credit to individual countries, our offers of \$ 200 million for the New Partnership for Africa’s Development

(NEPAD) and \$ 500 million for Team 9 [Techno-Economic Approach for African Movement – an initiative that brings together India and 9 countries of West and Central Africa] add up to almost \$ 1 billion. This is being used as a catalyst to build genuine, productive and sizeable partnerships in sectors like railways, construction, electrification, irrigation, food-processing, agricultural machinery and cotton spinning.

Pan-African Satellite-based connectivity:

5. Our scientists have placed us in a leadership position in a wide range of satellite-based technologies, Our communication, educational, remote sensing and meteorological satellites are enabling us to bring the benefits of tele-medicine, tele-education, resource mapping and weather forecasting to some of the remotest parts of our country. During the visit of our President to Africa in September, 2004, we announced our willingness to share the benefits of these technologies with our friends in Africa. The Indian Space Research Organisation has developed an ambitious plan to connect the 53 countries of Africa through a network that uses satellite, fiber optic and wireless links. We would, in partnership with the African Union and individual countries of Africa, be establishing a network that links learning centers, Universities and hospitals in every country of Africa with counterpart institutions in India that have a proven expertise in these fields. After many rounds of extensive discussions, the Government of India and the African Union signed the MOU for the project on October 27, 2005. Project execution is presently underway.

Projects :

6. India provides assistance for project related activities, such as feasibility studies and consultancy services, apart from actual project implementation. The assistance provided is comprehensive and includes training as well as deputation of Indian experts. India has contributed to a very large number of projects in Africa. An illustrative list of projects established with Indian assistance is as follows:
 - Lilongwe Water Supply System in Malawi
 - Ebene Cyber City Project in Mauritius
 - Kofi Annan IT Centre for Excellence in Ghana
 - Entrepreneurship Development Centre in Senegal - Nigeria
 - Machine Tools in Nigeria

- Plastic Technology Centre in Namibia
- India Farmers Project in Burkina Faso
- Village Electrification Projects in Soune and Touly in Senegal
- Gandhi Memorial Hospital in Ethiopia

Peace-Keeping Operations:

7. We fully recognize the importance of a stable polity as a pre-requisite for economic progress. The legacy of longstanding conflicts has left its scars on many parts of Africa. We hope that the vision and determination of the African Union and of Africa's contemporary leaders will soon make such conflicts a thing of the past. From our side, we will continue to support peace-keeping efforts wherever required. We have done so from the time of the conflict in Biafra. In more recent times, the contribution of our troops has been widely recognized in Ethiopia, Somalia, Sierra Leone and Eritrea. Even now we have over 3500 soldiers in the Democratic Republic of Congo and over 1500 Indian soldiers on the Ethiopia-Eritrea border. Our defence personnel have not only worked with troops from other nations to bring peace but have also distinguished themselves for the exemplary fashion in which they have contributed humanitarian assistance and participated in development activities in the areas where they have been deployed.

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044. Indian Non Paper on “Education : A Strategic Priority for International Cooperation” at the St. Petersburg G-8 Summit.

St. Petersburg, July 16, 2006.

1. The World Conference on Education held in Jontein, Thailand, in March 1990, sharply increased focus on action required to ensure that all children, young people and adults receive education that would enable them to exploit their talents, improve their lives and develop as complete human beings. This led to heightened realization that investments in education, besides being important from the point of view of social welfare, also yield economic results.
2. The World Education Forum held in Dakar, Senegal in April 2000 committed participating countries to the achievement of Education for All goals and targets, including ensuring free and compulsory primary education by 2015. The Dakar Framework of Action is a collective commitment for action based on the willingness of the international community to mobilize resources needed to provide effective support to national efforts. Donor countries also agreed that no country seriously committed to the Dakar goals would be thwarted in their achievement by a lack of resources.

Resource Mobilisation

3. There is a need for renewed commitment by donor countries to make available the resources required for the attainment of the Dakar goals. Additional financial resources are also needed to enable developing countries to access new critical technologies and innovations. The St. Petersburg Summit provides a useful occasion for the G-8 to re-affirm that no country would be impeded in the achievement of the Dakar goals by lack of financial and technical resources.

Trilateral Cooperation

4. Developing countries like India can share their experiences in areas such as distance education and in-service teacher training. They can also provide technical support in areas such as planning and management in basic education, curriculum development, measuring learning achievement and implementing literacy and non-formal education policies.

5. The experiences of developing countries are likely to be more relevant to other developing countries. Support provided by them would also be more cost effective. There would, therefore, be a case for support by donor countries of such South-South cooperation.
6. The Indian Technical and Economic Cooperation (ITEC) programme provides a vehicle to donor countries to support South-South cooperation in the area of technical training. Since 1964, technical assistance worth US\$ 2.5 billion has been channelised through this programme to developing countries. As many as 206 short-term/long-term training courses are offered every year in a wide variety of subjects in more than 45 institutions. Annually, more than 3,500 scholarships are offered to 156 ITEC partner countries. Apart from the ITEC programme, India also provides around 1500 scholarships through TCS Colombo Plan; Indian Council of Cultural Relations (for degree courses); and the Foreign Service Institute.

Recognition of Qualifications

7. Globalisation means not only an accelerated global flow of goods, but also of services and ideas. The youth in developing countries have acquired globally valued skills in various professions. An enhancement in their mobility across international borders can be a stimulus for the growth of their economies as well as those of receiving countries.
8. The lack of recognition of academic and professional qualifications is a significant impediment to mobility of service providers and a non-tariff barrier for trade in services. There is merit in convening an International Conference in pursuance to the UNESCO's guidelines in the matter of Quality Provision in Cross Border High Education. Such a conference would address issues relating to quality assurance, accreditation, recognition of qualifications and would encourage recognition or equivalence of qualifications based on national procedures and criteria.

045. Statement adopted by the G-8, the leaders of Brazil, China, India, Mexico, South Africa, Chairman of the Council of the Heads of State of the CIS, Chairman of the African Union and the Heads of the International Organizations on the Bomb Blasts in Mumbai on July 11, 2006.

St. Petersburg, July 17, 2006.

We are outraged by the barbaric terrorist acts, carried out on 11 July 2006 in Mumbai and other parts of India. We stand in solidarity with the Government and the people of India and express our deepest condolences to the victims and their families.

We are determined to continue the fight against terrorism by all legitimate means. We express our readiness to undertake all necessary measures to bring to justice perpetrators, organizers, sponsors of these and other terrorist acts, and those who incited the perpetrators to commit them. We shall do it in accordance with our obligations under international law, in particular international human rights law, refugee law and humanitarian law.

We are united with India in our resolve to intensify efforts to fight terrorism which constitutes a threat to each of our country, as well as to international peace and security.

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046. Press Briefing by Foreign Secretary Shyam Saran after the G-8 Summit and the Outreach Meeting.

St. Petersburg, July 17, 2006.

OFFICIAL SPOKESMAN (SHRI NAVTEJ SARNA): Good evening ladies and gentlemen and welcome to this briefing by India's Foreign Secretary Mr. Shyam Saran. We also have with us India's Ambassador to Moscow Mr. K. Sibal. Foreign Secretary Mr. Shyam Saran will first address the press and then we will have the rest of the briefing including questions. I must say that because of lack of interpreter facility here the briefing will only be in English.

FOREIGN SECRETARY (MR. SHYAM SARAN): Thank you very much. Well, it has been a rather long day with lots of meetings. But I thought let me first begin by giving you a sense of the Outreach Meeting which was the main event today. It was from 10 to 12 in the Conference Hall and then the discussions continued informally over lunch. Altogether the interaction was for about a little over four and a half hours.

As far as we are concerned, a very major issue that was taken up at the Outreach Meeting was the issue of terrorism. It is seen in the context of the challenges of globalization. Here, Prime Minister in his intervention stated that world economies are being integrated at a very rapid rate, that globalization is an irreversible process, and in a certain sense the global economy has also already become quite integrated. But he pointed out to the fact that while this integration has taken place of the global economy, or at least it has reached a fair degree of integration, the mechanisms for managing this globalization in all its forms, or the management of globalization leaves a great deal to be desired. Therefore, what we need is a global mechanism by which large sections of population are not left behind, while the integration of economies is taking place, the distribution of wealth, the distribution of the benefits of globalization. These are management issues which need to be addressed very urgently.

He also pointed out that with the globalization of economy there are many other things which have become globalized. For example, terrorism. There is organized crime, there is drug-trafficking. These are in a sense certain negative aspects of globalization. It is in this context that he made a reference to the recent very reprehensible acts of terrorism which took place in Srinagar and in Mumbai. He said it was a very ghastly tragedy. He

also thanked all the Heads of State and Government present for the solidarity and the support that they had extended to India, the condemnation that the international community has made, unreserved condemnation, of this act of terrorism. There is a conviction that the perpetrators of these crimes must be brought to justice.

He described to the leaders his visit to Mumbai, the terrible tragedy of seeing people who had been very badly injured during these blasts, people who had lost their limbs. He said that there is really no cause which is important enough or which is so overriding that it justifies the murder of innocent men, women and children. He requested the Heads of State and Government present that a very strong message should go out from this meeting that there would be zero tolerance for terrorism.

You would have seen that as a result of that very strong statement made by our Prime Minister and the very strong request that he made to the assembled Heads of State and Government, which included not just the G-8 but also the Outreach countries - the UN Secretary-General was also present, some of the Heads of the International Organisations were also present at this meeting - they all very readily agreed to issue a strong statement on the issue of terrorism relating specifically to the incidents which have taken place in India.

So, from the point of view of India this is a very important gain for us, a diplomatic gain for us. Of course, we will continue to fight terrorism in India but having this unequivocal support from the international community, a very very clear message coming out that acts of terrorism will not be tolerated, that those who are sponsoring such terrorism also need to be brought to justice, this is the message and it is very very clear. So, from our point of view it is a very important gain.

I would also like to touch upon some of the other important issues that were taken up during this meeting. As you know, the meeting had two or three very important themes. One theme was energy security. If you had had a look at the G-8 statement on energy security, if you have also had a look at the position paper which was presented by the Outreach countries to the Russian host, if you have also had a chance to see the position paper that India itself has presented to the G-8 partners, you will see that several of the themes that we have attached importance to have found resonance in the G-8 statement.

What the Prime Minister in his intervention drew attention to was the

fact that energy security cannot be built upon the perpetuation of poverty. This is something which is very important for people to understand because for most of our developing countries we are at such a low level of energy consumption compared to the developed countries that our problem really is how to find affordable sources of energy in order to make certain that the energy does not become a limitation upon our prospects. So, he was very very clear in his presentation that while references are being made to India and China, two very large developing countries, rapidly developing countries, whose energy requirements are increasing, as if that was a problem for the global economy, even though these two countries are growing very rapidly but in terms of their energy consumption as part and parcel of the global consumption in fact it is still very small. If you look at the per capita consumption of energy, that fraction is even smaller. Therefore, there has to be a very clear acceptance or an acknowledgement that for the developing countries energy security means giving greater access to energy supplies, affordable energy supplies.

In this context Prime Minister also referred to the need for a strategy for diversification of energy supplies. There has to be a long term shift away from reliance on fossil fuels to other alternative sources of energy. In this context he referred to the fact that for India nuclear energy is certainly a source of energy which we regard as relatively clean, it is an energy source which is economical and of course India has infrastructure already in place which enables us to expand this industry.

He also pointed out that if we are looking really at the future where we need not only plentiful supplies of energy but we also need clean energy, then countries like India and other countries who are trying to develop nuclear energy as the alternative source of energy need to have access to international cooperation. In this context he also made an appeal that international guidelines, international rules need to be adjusted in order to enable countries like India to have access to nuclear technology and equipment. On the energy side, in the discussions there was also a reference to the development of alternative fuels like bio-diesel, bio-fuel, also new sources of energy like hydrogen fuel, and it was agreed by all those who were present that there needs to be an international effort and international network of research and development to enable such new sources of energy to be developed. In this, of course, Prime Minister also indicated that India would be very happy to take part and contribute to this development.

There was also discussion about the other two issues - education as well as infectious diseases. I think you have found in the statement of the G-8 a reflection of some of the ideas which were put forward by us. On the education side there is a reference to trilateral cooperation in the sense of South-South, South-South cooperation being encouraged by and to some extent being financed by the developed countries because there are countries like India which have a fairly good infrastructure of education as well as training. This could be put at the disposal of other developing countries. So, that idea has been incorporated. There is also a reference to the importance of mutual recognition of academic degrees and diplomas which is also another idea which we have put forward in our paper.

As far as infectious diseases are concerned, recognition of the great importance of global cooperation in dealing with global diseases and pandemics like avian flue or HIV-AIDS and the resurgence of some of the old infectious diseases like TB, malaria, is something which was discussed to some extent during the Outreach Meeting. I would say that there was a general acceptance of the need for us to work together. On this there was not much difference of opinion.

If there was some difference of opinion, it was when we started discussing the global economy in terms of the trade regime and that is the importance of ensuring the success of the Doha Round. This is a very topical issue. As you know, once again the important Trade Ministers will be meeting, I think, tonight and tomorrow in Geneva to try and see whether some progress can be made on the pending issues. But as would be expected, even though WTO issues were not really specifically on the agenda or certainly not a major theme on the agenda, this was certainly something which occupied quite a bit of time during the discussions.

Here, Prime Minister Dr. Manmohan Singh pointed out that as a developing country India has a very vital stake in the success of the Doha Round. Vital stake because for the poorer countries, for the developing countries, a rule-based international trading regime, a multilateral trading system, perhaps is far more important than it is for influential, affluent developed countries. We need rules much more than stronger economies do and that is quite self-evident. But he said that in ensuring the success of the Doha Round all the participants have to be faithful to the mandate of the Doha Round. The mandate of the Doha Round is to take development as its centre point as the most important dimension of this Round is the promotion of development, development of developing countries. He said

that perhaps that in all the noise at the end of the negotiation, perhaps this aspect of the Round has been really lost sight of.

While expressing his willingness to display flexibility in the coming negotiations, he pointed out nevertheless that the concept of special and differential treatment of developing countries is something which must be conceded and must be respected. He pointed out that, for example, in the time when we had the GATT, the predecessor of the WTO, a lot of ... was faced to the interest of developing countries. Then we had the Millennium Summit. We all swore by the need to fulfill our commitments with regard to the Millennium Development Goals. But what we really have to recognize is that at the end of the day if we really wish to encourage development, if we are really serious about development in the developing countries, then it is really trade, not aid, which is important. Unless developing countries are given a fair deal in terms of the new trading regime which is emerging, development goals cannot be met. In this context there was some discussions about the impact on developing countries particularly of the very precipitous rise in oil prices and the need to ensure that there are mechanisms which to some extent can shield the developing countries from the impact of rising oil prices.

There was of course lot of arguments amongst the different participants as to who was being flexible and who was not being flexible. But at the end of the debate it was agreed that all of us need to send our negotiators back to the table with very clear political direction that this doubt must not stay. Everyone agreed that the cost of failure of this Round would be far too great and the consequences would be negative for the development. Very important gains had already been made during the negotiations stage of the negotiations, even those gains would be in jeopardy if we were not able to come to a successful conclusion.

That is really as far as the Outreach Meeting is concerned. Prime Minister had meetings this morning with President Bush, with Chancellor Merkel of Germany. Later in the afternoon there were meetings with the President of Kazakhstan and the Prime Minister of Japan. With President Bush, as you would imagine, the main focus was on terrorism. President Bush, right at the outset of the meeting conveyed his very strong condemnation of the terrorist incidents which have taken place in Srinagar and Mumbai. He expressed complete solidarity of the United States of America with India in dealing with the phenomenon of terrorism. The major point was that terrorism is something which must be fought wherever it

occurs. He also mentioned to the Prime Minister that the United States of America had very readily agreed that there should be a strong statement which should emanate from this summit with regard to terrorism. He pointed out that the G-8 statement itself has a very long section on terrorism. Of course, that is not specific to India but expressing the determination of the G-8 to confront the forces of violence and terrorism.

There was some discussion, as you would expect, on the Indo-US nuclear deal. What President Bush conveyed to Prime Minister was that he was very optimistic that this deal would go through the Congress. He did acknowledge that India had several concerns with respect to the wording of both the House Bill as well as the Senate Bill. But he conveyed at the same time that the United States of America will ensure that the commitments which are expected of India, the undertakings which are expected from India, will not go beyond the understanding which had been reached in the July 18 Joint Statement and later in the Separation Plan which was presented to the Indian Parliament. So, it is a very clear message that there will be no shifting of goalposts. He expected that the finalization of the Bill will probably take place in the next few weeks.

Then there was a discussion about the WTO. President Bush again expressed some frustration at the lack of progress in the WTO Round. He conveyed to Prime Minister that the United States of America had already made considerable amount of concessions, was prepared to show even greater flexibility but would not be able to do this on its own. There was a requirement that other partners too show some flexibility. But he expressed his very strong commitment to ensuring the success of the WTO Round.

There was a review of other aspects of our bilateral relations. Satisfaction was expressed over the progress that we have made in the implementation of, for example, the knowledge initiative on agriculture, the setting up of the Binational Science Commission. As you are aware, on our side it is the Minister of Science and Technology who is the co-chair, on the American side it is the Science Advisor to the President. The Commission is now going to really work out the plan for very very broad ranging scientific and technical cooperation between the two countries.

There was a discussion about the economic and business relations between the two countries. Again there was satisfaction over rather rapid growth in trade between the two countries. Perhaps you know that today India is the fastest growing export market for the United States of America.

The recommendations of the Economic Forum were referred to. Both leaders said that they hope that the forthcoming investment summit - which is going to be held in India sometime later towards the end of the year - would be a great success and would lead to far greater American investment in India.

Prime Minister also took advantage of the meeting to also bring to the attention of President Bush the candidature of Shashi Tharoor who is our candidate for the post of Secretary General of the United Nations. President Bush said that this would certainly be given his careful consideration.

With Chancellor Merkel, again the main topic was terrorism. The Chancellor, also like President Bush, condemned the recent incidents in India, the deaths which had occurred and the injuries which had occurred to innocent men, women and children in Mumbai. She recalled the very successful visit the Prime Minister had made to Germany earlier and how the visit had really given a tremendous impetus to economic and business cooperation between the two countries. There was a commitment to giving further attention to raising the economic profile in our relations. In fact, in the last several months there have been some major German investments in India and this was welcome.

Chancellor Merkel also briefed Prime Minister on the Iran nuclear issue pointing out that the European Union, or rather the P-5 plus One, had in fact presented a very positive package to Iran in dealing with the nuclear issue and there was a certain disappointment that Iran had not yet come back with a well considered and positive response. She also made reference to the current situation in West Asia, the spread of violence to Lebanon and how this could have a very disastrous impact on the entire region as also its economic impact in terms of even higher oil prices. She emphasized the very urgent need to deal with this situation.

She spent some time on discussing WTO related issues. Here again there was a stress by both the leaders on the importance of ensuring a successful conclusion to the Doha Round and the need for flexibility on the part of all the participants.

On UN reform, as you know both India and Germany are part of the G-4 initiative for reform of the Security Council. We had a brief review of where we stand. Both leaders agreed that even though not much progress had been made so far in getting the Framework Resolutions to the United

Nations General Assembly but it was very important that while we are looking at other aspects of UN reform that we should not lose sight of the temporal importance of Security Council reform and in particular ensuring that there is expansion both in the permanent as well as in the non-permanent category of members. We welcome the fact that there would soon be a debate in the United Nations General Assembly on UN reform and there would be a specific review of where we are as far as Security Council reform is concerned. Here again Prime Minister did refer to the candidature of Mr. Shashi Tharoor for the UN Secretary-General's post and the Chancellor said that she would certainly consider it.

Now, the meeting with the Prime Minister of Japan - apart from the exchange that they had on the same issue of terrorism in more or less the same terms as with the other two leaders, there was, as you know, a Joint Study Group set up between the two countries to look at how we could promote our economic and business relations. The Joint Study Group's report is now ready. This was presented to both the Prime Ministers at the meeting that took place this afternoon.

The Joint Study Group among other things made a strong recommendation for establishing a comprehensive economic partnership between the two countries. It would cover not only trade but it would cover investment promotion, it would cover services, technology. So, it is a very important document and a recommendation has been made that perhaps inter-Governmental negotiations should begin on setting up of this partnership. What the two leaders agreed was that these recommendations were very useful, they were very valuable and both Governments would very seriously examine them.

The Prime Minister of Japan briefed our Prime Minister on the situation on the Korean peninsula. He referred to the very serious and adverse situation having been created by the missile tests carried out by the DPRK recently, and his satisfaction that the international community had joined together in the Security Council to unanimously have a resolution condemning the tests and asking the DPRK to come back to the negotiating table. His own expectation was that the DPRK would hopefully sooner rather than later return to the six-party talks and that this would perhaps lead to an improvement in the situation.

There was a reference to nuclear issue with the Prime Minister mentioning the importance of nuclear energy for India and requesting the support of the Nuclear Suppliers Group. The Prime Minister of Japan, while

reiterating Japan's long held positions on nuclear disarmament, on nonproliferation, said that he recognized the importance of the energy requirements of India. Prime Minister also by the way pointed out to him that on issues of nuclear disarmament and nonproliferation there was really no difference between the positions taken by Japan and India, that India had consistently advocated the total elimination of all weapons of mass destruction including nuclear weapons and that there was no change in this position of India, we still stood for complete nuclear disarmament. As far as our record on nuclear nonproliferation is concerned, this has been impeccable and our adherence to the non-use, nonproliferation is something which is now internationally acknowledged.

The Prime Minister of Japan also welcomed the forthcoming visit of our Prime Minister to Japan around December this year. This would be an occasion to further strengthen the relations between our two countries.

A meeting with the President of Kazakhstan where the focus, as you would expect was mainly on energy cooperation between the two countries. Here of course the President of Kazakhstan extended an open invitation to Indian companies to promote further business in the energy sector, (and said) that Kazakhstan would welcome that. He also mentioned the many opportunities that exist in Kazakhstan for the other areas of cooperation, for example, in the real estate sector, in pharmaceuticals, in the IT sector. The Kazakh Government has set up an IT park and has invited Indian companies to take part. Some Indian companies are already present in Kazakhstan.

Prime Minister also mentioned our interest in the CICA process which had been initiated by Kazakhstan. The confidence building measures in the Asian region is something that we attach a great deal of importance to. There was also a brief discussion on the Shanghai Cooperation Organisation. President Nazarbayev said that he welcomed India's participation in the Shanghai Cooperation Organisation and would welcome our full membership of the Shanghai Cooperation Organisation.

Then the last of the bilateral meetings was with President Putin of Russia. Prime Minister congratulated President Putin on the very successful stewardship of the G-8 Summit as well as the Outreach Meeting this morning. He said that we had managed to cover a very large number of global issues. There was mainly a discussion and a review of our bilateral cooperation in different fields. There was satisfaction expressed that in

this very wide-ranging cooperation that we have, there has been considerable progress. Prime Minister said that we in India were very much looking forward to welcoming President Putin to India. As you know, he has been invited as our Chief Guest for the next Republic Day in January 2007. Before that there will be occasion to cover several areas of cooperation between our two countries.

There was a general recognition that while political relations between our two countries are very close and have become even closer, that we have a strategic partnership, but perhaps the economic and trade leg of that strategic partnership is perhaps the weakest element and we need to do much more in order to promote business between the two countries. As you know, we have a target of ten billion US dollars by 2010. Both leaders expressed their keenness to make every effort possible to reach this target.

FOREIGN SECRETARY: Would the Ambassador like to add something?

INDIAN AMBASSADOR IN RUSSIA (MR. KANWAL SIBAL): Nothing very much except that the substantive meeting lasted about 45 minutes and the bilateral agenda was covered in considerable detail by both sides ... and economic power. President Putin noted that we had set up a Trade and Investment Forum at the level of a Trade Minister and we had also set up a Joint Study Group on the pattern that we have set up with Japan, Singapore and other countries to examine the feasibility of a comprehensive economic partnership with Russia. He hoped that this particular Joint Study Group as well as the Trade and Investment Forum would yield positive results.

He noted also that Indian business sector had begun, Indian companies had begun, to look at investment in Russia in a significant way and the companies ... visit and Prime Minister's full support from the Russian Government.

Energy cooperation between India and Russia, as you know, is becoming a central theme of our relationship on the economic front. President Putin noted that Sakhalin-I had been very successful. Our Prime Minister hoped that in the years ahead India would have similar opportunities in the oil and gas sectors. The Prime Minister made an important proposal to President Putin, which the Russian side said that they will consider, to set up a Joint Energy Forum in which the whole gamut of energy issues would be discussed because as you know Russia has great strength in

hydro power, oil and gas, nuclear energy as well as coal gasification technology. So, with Russia we can have (cooperation across) a very broad spectrum and a good relationship. The Prime Minister took the initiative to set up this forum so that a holistic view could be taken on the subject.

On the defence side which is ... of our relationship, it was noted that we had just taken a decision to place an order for three new frigates on Russia. It is a substantial order worth over 1.4 billion dollars plus some other orders on the defence side which we have placed or which would come in the course of the months ahead testifying to the very robust relationship that we continue to have with Russia in the defence sector. In this regard I think a project which is worth mentioning is the multi-role transport aircraft which is an aircraft which our defence forces need urgently. This will be a joint venture between India and Russia where both sides will contribute 50 per cent equity and develop an aircraft suited for Russian and Indian needs which would be used both by the Indian armed forces as well as the Russian armed forces. So, there has been a substantive meeting on the sidelines of the Summit.

FOREIGN SECRETARY: Lastly we come to the trilateral meeting which took place among Prime Minister of India and the President of China and President of Russia this afternoon. This is the first time that the three countries - who have of course been engaged in this trilateral cooperation earlier – have met at the summit level. So, it has a significance of its own. As you are aware, it started off with the Foreign Ministers of the three countries essentially meeting on the sidelines of the United Nations General Assembly. The first stand alone meeting of the three Foreign Ministers was held in Vladivostok and it was also agreed that the next such meeting would be hosted by India. We have plans in fact to hold that meeting sometime later this year.

This was an initiative taken by the President of Russia. This was welcomed by the other two leaders who spoke at this meeting. What they all agreed was that the three countries share a certain common neighbourhood, that the three countries have rather convergent views on several global issues. For example, it was mentioned by all three that we have a strong interest in the emergence of a multipolar world, we have a strong interest in promotion of multilateralism. On issues of, for example, energy security, or on other important regional and global issues, we in fact quite frequently work together in both regional and international fora, so that we enjoy very good relations bilaterally. India-China relations are

improving rapidly, the relations of course between India and Russia are very close, the relations between China and Russia are developing very well. The economic linkages amongst the three countries are also developing. So, there is a very good basis for us to really look at ways and means how we can advance our cooperation on a trilateral basis.

A reference was made that in pursuing trilateral cooperation on issues on which we have convergent views, this is not something which should be taken as directed against any other country, that the focus of our cooperation would be on issues of mutual interest. For example, relating to terrorism, relating to drug-trafficking, relating to the issues of crime - these are the sort of issues that we could look at. There was also a recognition of the fact that because of the rapid economic development of India, China and also the economic revival of Russia, there is a certain shift in the centre of gravity of economic development towards Asia-Pacific. And, perhaps Asia-Pacific therefore needs deeper engagement among the countries of the region. These three rather important countries, large economies in this region, there was great benefit in the three countries engaging with each other much more intensively and having a much more regular exchange of views on these matters of both regional as well as international concern.

So, no specific decisions were taken but Prime Minister pointed out that we had invited the Foreign Ministers to meet later in India, that we had also agreed at an earlier meeting that there would be a business summit, the first ever business summit amongst the three countries. This would also be hosted by India. It was agreed that many of these items of cooperation or exchange of views on different issues would be pursued by the Foreign Minister, and that they would really focus on what are the specific requirements which may be required in order to give substance to our desire for cooperation.

A very friendly meeting, a confirmation that we have strong and convergent views on number of international issues and that we believe that we need to work together in order to advance our respective interests in all these different areas. Thank you very much.

INDIAN AMBASSADOR IN RUSSIA: One additional point is that Russia has expressed interest in also developing cooperation within the BRIC Forum. This is something which the Russian Trade Minister and the Indian Trade Minister had discussed a few months ago and this idea had been picked up and encouragement was given to having a quadrilateral

cooperation which will include these three countries but will also include Brazil in the format of BRIC countries.

QUESTION: What are the concerns regarding Indo-US nuclear deal that have been conveyed to the US?

FOREIGN SECRETARY: I do not think there is any secrecy about our concerns. What we have pointed out is that it is extremely important that the Bill should be in consonance with the goal of full civilian nuclear cooperation which the two sides have agreed upon, and that the cooperation that we are envisaging should be on terms and conditions which do not go beyond the reciprocal undertakings which have been spelt out in the Joint Statement as well as in the Separation Plan. Obviously at the level of the two leaders you would not expect that they would get into negotiating mode about specific items. But I think what Prime Minister did was to point out that there are certain elements in the Bill, both the House Bill as well as the Senate Bill, which appear to go beyond precisely those reciprocal commitments. For example, we have been talking about the scope of cooperation. If there is a limitation or any kind of restriction, for example, on reprocessing and on enrichment technologies, then would this not violate our understanding that there would be full civil nuclear energy cooperation.

QUESTION:...(Inaudible, on India's specific concerns on the Bills passed by the US Congress on Indo-US civil nuclear cooperation)...

FOREIGN SECRETARY: That will be Then there are references to the Safeguards Agreements between India and the IAEA which do not seem to recognize that these Safeguards Agreements could be India specific because we are not a non-nuclear weapon state. There are references to end-use verification procedures which to us appear to be going beyond the need for these safeguards. If we are going to have India-specific safeguards, you do not need another layer of verification procedures. So, there are a number of issues of this kind which we have spelt out for our American interlocutors. I was myself in Paris a few days back. I had detailed discussion with my American counterpart. So, the United States' leadership is very well aware of our concerns and the need to ensure that we stay within the parameters of the July 18 Joint Statement and the Separation Plan. As I mentioned to you, President Bush said that he understood our concern and that there was no intention on the part of the United States to go beyond what is spelt out in the Joint Statement.

QUESTION:...(Inaudible)...

FOREIGN SECRETARY: The President explained that in Congressional legislation there is a part which is really a binding part of the Bill and there are a number of other elements which are non-binding in character but which respect the sense of the Congress. These are individual Congressmen who believe that their specific concern must be reflected in the Bill in order to give support to that. This is the explanation which President Bush gave at the meeting. As I said, the President mentioned that our concerns were well understood, that the Bill had not yet been finalized and I think it is fair to wait and see what the final shape of the Bill would be before we come to any conclusion.

QUESTION:...(Inaudible, on the meeting between the leaders of India, China and Russia and India's membership of Shanghai Cooperation Organization)...

FOREIGN SECRETARY: As far as the first point that you raised, the trilateral mechanism is not a dispute settlement mechanism. So, your assumption that some bilateral disputes would also be on the agenda of the trilateral meetings - nothing could be further from the truth. What the three leaders recognized was that in terms of certain regional issues as well as global issues, these three countries have remarkably convergent views. For example, with regard to as I mentioned democratization of the international system whether it is the political system in the form of the United Nations, whether it is the economic system in terms of what we are trying to achieve through the WTO Round, in terms of those broad areas of convergence there is a basis on which the three countries can advance their cooperation. There may be areas where the three countries have divergent views. But there are a number of areas in which they do have convergent views. Therefore, on those areas the three countries stand certainly for cooperation. That is the importance of this meeting. It is not to deal with any kind of bilateral disputes between the respective countries.

As far as the Shanghai Cooperation Organisation is concerned, we have not raised the issue of our membership with Russia or China. I think the Shanghai Cooperation Organisation admitted India as well as a couple of other countries as observers and they have indicated that the question of expansion of membership is something that will be considered at a later date. So, we are not envisaging an immediate decision with regard to membership. So, we will wait and see when the members of the Shanghai

Cooperation Organisation decide to expand the membership. We will see what decision they take. But I was referring to the fact that as far as President Nazarbayev is concerned; he conveyed to us that he would welcome India being a full member of the Shanghai Cooperation Organisation.

QUESTION:...(Inaudible, on terrorism and trilateral meeting)...

FOREIGN SECRETARY: We did not go into specifics. But certainly in the conversations which took place around the table, terrorism and drug trafficking were identified as areas where the three countries have common interest, and that there should be a strong cooperation amongst us to deal with terrorism. For example, Russia made reference to the fact that in United Nations they had initiated the unanimous resolution on nuclear terrorism. There was also a reference made to our own initiative for the international convention on counter terrorism. So there are these areas where in fact we are already working together and perhaps we need to strengthen our cooperation.

QUESTION:...(Inaudible)...

FOREIGN SECRETARY: Bilaterally this issue was not raised but during the meeting of the five Outreach countries Prime Minister did refer to the importance of nuclear energy as a source of energy for us and mentioned the fact that we would like there to be support for an alteration in the international guidelines permitting full civilian nuclear energy cooperation between India and the international community and international partners. So, this was something which was mentioned as a general point by Prime Minister to all the participants at the Outreach Meeting. I mentioned to you also that this did come up during the discussions at the Outreach Meeting itself this morning. But at the trilateral meeting the specific subject of nuclear energy was not brought up.

QUESTION:...(Inaudible, on whether India, China and Russia were planning joint military exercises)...

FOREIGN SECRETARY: No, there is no proposal for joint military exercises among the three countries. I would like to emphasise that as far as we are concerned the focus of trilateral cooperation is really economic and the focus of trilateral cooperation is really on how we can work together on global issues whether these are economic issues, whether they are global issues like terrorism or drug-trafficking.

QUESTION:...(Inaudible)...

FOREIGN SECRETARY: There was no decision to invite Brazil to join the trilateral format. But as you know there are number of issues on which the four countries are working together and this was a general wish of all these leaders present that we should further promote such cooperation.

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047. Statement by Prime Minister Dr. Manmohan Singh on return to New Delhi after G-8 Summit meeting at St. Petersburg.

New Delhi, July 18, 2006.

I speak to you after a very intensive round of meetings over the last two days. I would again like to thank President Putin for having taken the initiative to invite India, Brazil, China, Mexico, South Africa and Congo for discussions with the G-8 on some very crucial issues. The Outreach Session of the G-8 Summit embodied the spirit of close international cooperation in its approaches to the pressing problems of energy security, education and infectious diseases, terrorism and the special challenges facing Africa.

The G-8 and Outreach countries expressed outrage at the barbaric terrorists attacks of July 11 in Mumbai and Srinagar and expressed solidarity with India. They expressed their readiness to undertake all necessary measures to bring to justice the perpetrators, organizers, sponsors of these and other terrorist acts and those who incite terrorists to commit them. We are greatly encouraged by this unified expression and support of solidarity by all major countries of the world.

The Outreach Session of the St. Petersburg Summit also allowed the G-8 and the Outreach countries to share views on global energy security, education and the fight against infectious diseases. I believe that our views and perspectives on these important issues made significant contributions to the discussions. I appreciate that the documents adopted by G-8 reflect a willingness to work in partnership with developing countries. I find their willingness to explore trilateral cooperation in the field of education to be particularly useful. We exchanged views on world trade.

The G-8 has called for concrete endeavour to conclude the Doha negotiations. We are willing to join them in such an effort, but progress will only be possible if negotiations take fully into account the development concerns of the developing countries.

In my bilateral meeting with President Lula Da Silva of Brazil we agreed that the transformation in our bilateral relations that commenced during his visit to India in January 2004 must be continued. We shared perspectives on energy issues including alternative fuel sources including ethanol and bio-diesel. I said that I was looking forward to visiting Brazil for a bilateral visit, followed by the IBSA Summit in September this year.

In my meeting with President George Bush yesterday we reviewed developments in bilateral relations since the landmark visit of the President to India earlier this year. President Bush again condemned the blasts in Mumbai and Srinagar and we discussed ways to end the menace of terrorism. With regard to civil nuclear cooperation President Bush expressed optimism on successfully carrying the process forward to an early conclusion and also expressed understanding at some of the concerns on the proposed legislations that I conveyed. We agreed to take effective steps to expand on the collaboration in areas such as science and technology, education, agriculture, trade and industrial cooperation.

In my meeting with Chancellor Merkel of Germany, we discussed several current international problems including the situation in the Middle East and the impasse in the Doha Round.

I had the opportunity to discuss some issues pertaining to India's energy sector and to personally extend an invitation to H.E. President Nazarbayev of Kazakhstan to visit India. We discussed potential for business to business cooperation, in particular in the IT sector.

Japanese PM Koizumi and I reviewed recent developments in our bilateral relations. A copy of the Joint Study Group report on enhancing economic cooperation was handed over to both of us. Both of us expressed satisfaction that the Joint Study Group had completed its work in a timely manner. We agreed to examine the recommendations expeditiously. I conveyed appreciation to PM Koizumi for his contribution to the recent positive momentum in our relations; the railway sector in particular has benefited from this.

I also had the opportunity of jointly meeting with the Presidents of

China and Russia. The simultaneous emergence of India, China and Russia as important economies of the Asian region is one of the remarkable developments of the 21st century. In their past meetings the three countries have identified six key areas for closer economic cooperation which includes energy, civil aviation, biotechnology, information technology, pharmaceuticals, and financial services. I underscored the importance of moving ahead rapidly on developing concrete projects of cooperation.

The special relationship India enjoys with the Russian Federation really requires no further characterization. President Putin has agreed to be the Chief Guest of our Republic Day celebrations in January 2007. We both agreed that there is a strong agenda of bilateral cooperation projects that needs to be completed before the forthcoming visit of President Putin.

I took up with all the Heads I met, the candidature of Mr. Shashi Tharoor for UN Secretary-General. He has very strong credentials for the post and I urged my interlocutors to give him their full support, in the forthcoming election process.

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IBSA

048. Communiqué on the Rio de Janeiro Ministerial meeting —India-Brazil-South Africa (IBSA) Dialogue Forum.

Rio de Janeiro, March 30, 2006.

1. The Minister of State for External Affairs of India, H. E. Mr Anand Sharma, the Minister of External Relations of Brazil, H. E. Mr. Celso Amorim, and the Minister of Foreign Affairs of South Africa, H. E. Dr. Nkosazana Dlamini-Zuma, met in Rio de Janeiro on 30 March 2006 for the Third Meeting of the Trilateral Commission of the IBSA Dialogue Forum.
2. The Ministers discussed a wide range of critical global issues and reconfirmed their shared vision and determination to play a constructive role in international affairs and to maintain friendly relations with all countries. They reaffirmed the IBSA Dialogue Forum as an important mechanism for political consultation and coordination as well as for strengthening cooperation in sectoral areas and to improve economic relations among India, Brazil and South Africa.
3. They confirmed their support for a strong multilateral system as a means towards addressing issues of global concern, in particular the pre-eminent role of the United Nations in the maintenance of international peace and security and the promotion of sustainable development.

MILLENNIUM REVIEW SUMMIT

4. The Ministers recognized the successful conclusion of the Millennium Review Summit, which took place in September 2005. The Ministers expressed their hope that the UN reform processes continue to reflect a balance between development and security concerns and, in this regard, reiterated their perception that development matters remain an indispensable foundation for a new collective security system.
5. They reaffirmed their commitment to the goal of developing countries successfully achieving, at the minimum, the Millennium Development Goals (MDGs) as a core strategy in the international fight against underdevelopment, hunger and poverty. They reiterated their support

for the Action against Hunger and Poverty initiative and, in particular, the Declaration issued by the promoters of the initiative on the occasion of the UN Millennium Review Summit. They reconfirmed the importance of obtaining new and additional financial and other resources for fighting poverty and financing development.

6. Within the framework of the Monterrey consensus, the Ministers acknowledged that the MDGs will not be achieved without also resorting to additional and innovative sources of financing for development. The Ministers confirmed their willingness to support and promote innovative financing mechanisms and in this regard reiterated their intention to take active part in the work by the Leading Group on Solidarity Levies, created at the Ministerial Conference on Innovative Financing, held in Paris in February/March 2006.

UNITED NATIONS INSTITUTIONAL REFORM

7. The Ministers reiterated their continued support for the reform of the United Nations to make it more democratic and responsive to the priorities of its Member States, particularly those of developing countries that constitute the vast majority of its membership. In that regard, they welcomed the decisions taken in the September Summit in New York in 2005 and expressed their full support for the implementation of those decisions as contained in the "Summit Outcome Document".
8. The Ministers emphasised that the Security Council must, in its composition, represent contemporary realities and not those of 1945. Keeping in view that the decisions of the Security Council should serve the interests of the larger United Nations Membership, they emphasised the need for the urgent reform of the Security Council that would include its expansion in both categories of membership, permanent and non-permanent, in order to render it more democratic, legitimate, representative and responsive. Towards this end, the representation of developing countries from Africa, Asia and Latin America, as permanent members of the Security Council, is essential. The IBSA countries agreed to continue to exchange views on this issue, which they feel is central to the process of the reform of the United Nations, and work towards this common purpose in the coming months, with the view to achieving concrete results by the end of the 60th General Assembly.

9. They welcomed the creation of the Peacebuilding Commission as an important intergovernmental advisory body through which international community could provide long term support to countries emerging from conflict, including capacity-building efforts. IBSA countries reiterated their commitment towards working for an early operationalisation of the Peacebuilding Commission.
10. They voiced their full support for the capable manner in which the United Nations Secretary-General, Mr. Kofi Annan, has been conducting the work of the organisation, and expressed confidence in his efforts to enhance the UN's role in international relations.
11. They recommitted their respective delegations to the UN and its specialised agencies, as well as other multilateral bodies, to remain in close contact with each other and to consult on all issues of significance.

SOUTH-SOUTH COOPERATION

12. The Ministers reaffirmed that South-South cooperation is an essential and fundamental component of international cooperation for development, and stressed their support for mainstreaming of South-South cooperation and of the pursuit of the development of Technical Cooperation amongst Developing Countries (TCDC) to its full potential. In this regard, they recommitted themselves to work together for the enhancement of South-South cooperation and emphasized the establishment of the IBSA Fund as an example of cooperation among three developing countries for the benefit of the neediest nations of the South.
13. They noted with satisfaction the adoption of the Doha Plan of Action at the South Summit, held in Doha, between 12 and 16 June 2005. They emphasized the importance of strengthening South-South cooperation in order to promote growth and development.

THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

14. The Ministers reaffirmed their support for the socio-economic development programme of the African Union and committed the IBSA partnership to seeking practical and concrete measures to be pursued in support of the implementation of NEPAD. The three countries share a common experience in the struggle against poverty and underdevelopment, as well as complementary levels of

development. There was therefore much to gain from sharing information and best practices in dealing with common challenges and in identifying areas of common concern, need and benefit.

SOUTH AMERICAN INTEGRATION

15. The Ministers welcomed the consolidation of the South American Community of Nations, which held its first Presidential Meeting in Brasilia, on 30 September, 2005, and recognized it as a major achievement in the process of strengthening the political coordination and economic, commercial and infrastructural integration among South American countries.

TERRORISM

16. The Ministers reaffirmed that international terrorism constitutes one of the most serious threats to peace and security and that acts of terrorism were criminal and unjustifiable whatever the considerations or factors that might be invoked to justify them. The Ministers emphasised the need for concerted and co-ordinated action by the international community, with the ultimate objective of eradicating terrorism in all its forms and manifestations.
17. They reaffirmed their full support for the implementation of all the measures to combat terrorism outlined in relevant UN Security Council Resolutions. They welcomed the Council's efforts to increase cooperation and coordination in the fight against terrorism and called on the international community to work together in a spirit of cooperation and tolerance to eliminate terrorism. Recalling that the Outcome Document of the World Summit 2005 had called upon the member states to conclude a comprehensive convention on international terrorism during the current Session of the UN General Assembly, the Ministers stressed the importance of finalising the convention on international terrorism and called upon all States to cooperate in resolving the outstanding issues with the objective of an expeditious conclusion of negotiations and the adoption of this Convention.
18. They emphasised that international cooperation to combat terrorism should be conducted in conformity with the principles of the United Nations Charter, international law and relevant international conventions, including international human rights, humanitarian and refugee instruments.

DISARMAMENT, NON-PROLIFERATION AND ARMS CONTROL

19. The Ministers reaffirmed the view that the primary focus on human development, the fight against poverty, and measures to promote a better quality of life, should underpin and provide for greater guarantees for international peace and stability. The three Ministers took stock of the global security situation concerning disarmament and non-proliferation, and expressed their concern over the lack of progress in multilateral fora related to the field, and voiced their hope that the international community will show the necessary resolve and political will to reinforce the international disarmament and non-proliferation regime by means of multilaterally-negotiated, transparent, balanced and effective measures.
20. The Ministers expressed their conviction that multilateral institutions set up under multilateral disarmament agreements should remain the primary institutions and mechanisms, in the international community's endeavour to achieve common objectives in the area of disarmament and non-proliferation.
21. They took note of the positive continuing cooperation among their countries at the IAEA and other fora, with a view to ensuring the unimpeded growth and development of the peaceful use of atomic energy, through the supply of technology, equipment and material, under appropriate safeguards, and reaffirmed their will to intensify such cooperation. In this regard, the Ministers called for a peaceful resolution of the Iranian nuclear programme within the context of the IAEA.
22. They highlighted that nuclear energy can play an important role in meeting growing global energy requirements while at the same time addressing concerns related to global warming. In this regard they agreed to consider further enhancing international civilian nuclear cooperation, with countries who share the objectives of non-proliferation and have contributed to them, as well as having concluded appropriate safeguard agreements with IAEA.
23. The Ministers expressed concern over the continuing impasse in the Conference on Disarmament and called upon member states to intensify efforts to reach an agreement on a programme of work. In this context, they reiterated that the Five Ambassadors proposal as revised in 2003 still remained a viable basis for a programme of work.

24. They also expressed their commitment to the universalization of the Convention for the Prohibition of Chemical Weapons and Biological Weapons Convention (BWC), as well as to the goal of ensuring its balanced, transparent and effective implementation.
25. They also agreed on the pressing need to adopt measures aimed at strengthening the Convention for the Prohibition of Biological and Toxin Weapons, in order to consolidate its role as a key disarmament instrument of the international disarmament and non-proliferation regime, and expressed their will to intensify the cooperation and consultations in relation to the Convention, in particular in the context of its 6th Review Conference, scheduled for November-December 2006.
26. They recalled the importance of cooperative and effective international action against the illicit trade in small arms, light weapons and ammunition, and the need for the 2006 Review Conference of the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects (UN-PoA), adopted at the Conference on the Illicit Trade of Small Arms and Light Weapons in All Its Aspects.

SITUATION IN THE MIDDLE EAST

27. The Ministers welcomed the holding of transparent and free parliamentary elections in the Palestinian territories on 25 January 2006 and of general elections in Israel this very week. They welcomed the strengthening of the democratic process in Palestine and the peaceful nature of the polling. They expressed the hope that the newly formed government in Palestine and the newly formed government in Israel will continue to pursue peaceful negotiations as laid down by the Road Map for Peace and to abstain from taking any action or measure which might put in jeopardy the peace process in the region leading to the establishment of a viable, sovereign, independent State of Palestine living side by side in peaceful co-existence with the State of Israel.

INTERNATIONAL TRADE

28. Considering the results of the 6th WTO Ministerial Conference, held in Hong Kong, in December 2005, the Ministers emphasized the necessity of renewed political commitment to advance negotiations so that the Hong Kong deadlines are met.

29. As agriculture is central to development and the Doha Round, the Ministers expressed their conviction that Hong Kong consolidated the G-20 as an element of systemic relevance in WTO Agriculture negotiations.
30. The Ministers emphasised the need to consolidate unity on the development content of the Round. This is supported by increased activity, in the form of consultations, held in Geneva by Indian, Brazilian and South African delegations, in order to co-ordinate positions and strengthen Non-Agricultural Market Access (NAMA), as well as the establishment of the NAMA -11 whose two main principles are supporting flexibilities for developing countries and balance between NAMA and other areas under negotiation.
31. They recognized the importance of incorporating the development dimension in international discussions concerning intellectual property, as a means to preserve the policy space that countries enjoy in ensuring access to knowledge, health, culture and a sustainable environment. In this context, they welcomed the launching of a “Development Agenda in the World Intellectual Property Organization” and reaffirmed their hope that the aforementioned Organization incorporates effectively the development dimension in all its bodies.
32. The Ministers took note of the broader objectives of the European Union proposed Registration, Evaluation and Authorization of Chemicals (REACH) Legislation, in respect of the protection of human health and the environment. The Ministers reiterated their support for the commitments made on chemical safety at the World Summit on Sustainable Development (WSSD) in 2002.
33. The ministers expressed their concern for the unintended consequences that REACH will have on developing economies exporting to the EU. Such consequences will negatively affect the attainment of development goals in the South, including the MDGs. The Ministers recognised the efforts, commitments and determination of leaders of developing economies to effectively address the challenges of poverty, underdevelopment, marginalisation social exclusion and economic disparities.
34. The Ministers urged the EU to give due consideration to the grave consequences for developing economies should REACH be adopted in its current form. The Ministers urged the EU to ensure that REACH

will not become a Technical Barrier to Trade (TBT). The high costs for compliance, the possibilities for substituting commodities and the lack of technological and human resource capacity to comply may render the EU markets inaccessible for exports from developing countries. The Ministers expressed their desire that REACH should be consistent with the WTO laws and provide for adequate flexibility to developing countries.

35. The Ministers undertook to work together and jointly to address the challenges posed by REACH. The Ministers resolved to make all efforts to cooperate in coordinated manner regarding REACH.

INTERNATIONAL FINANCIAL SYSTEM

36. The Ministers underlined the convergence of views regarding the need for enhancing the governance of the international financial system and, in this respect, reiterated their commitment to coordinate efforts on this issue. They further stressed that progress in this field will lead to improvements in crisis prevention and the increase of resources to finance development.

SUSTAINABLE DEVELOPMENT

37. The Ministers reaffirmed the validity of the principles contained in the Rio Declaration, particularly on common but differentiated responsibilities, the Programme of Action contained in Agenda 21, and the Plan of Implementation of the World Summit on Sustainable Development (WSSD) held in Johannesburg. IBSA would continue its efforts to mobilise new and additional financial resources and the transfer of environmentally-sound technologies within an agreed time-frame in order to implement the outcomes of these conferences.
38. They stressed that an international environment supportive of development would be critical to this process. They also called for a specific focus on capacity-building as well as on the transfer of financial resources and technology to developing countries.
39. They noted with appreciation the stage of the TRIPS Council negotiations on the relationship between the TRIPS Agreement and the Convention on Biological Diversity and reaffirmed the urgent need that Members reach a prompt solution for the problem raised by the granting of intellectual property rights concerning or making use of genetic resources and/or associated traditional knowledge without compliance of relevant provisions of the Convention on Biological

Diversity. In this respect, they underscored the wide support for the proposal of amending TRIPS with a view to require intellectual property applications to disclose the country of origin of the subject matter as well as the compliance with the requirements of fair and equitable benefit-sharing and prior informed consent, in accordance with the legislation of the country of origin.

40. They expressed, in this context, their positive expectations about the results of the VIII Conference of the Parties of the Convention on Biological Diversity (COP-8/CBD), which is being held in Curitiba, Brazil (March, 20th-31st). They concurred on that COP-8 constitutes an opportunity to advance the effective implementation of CBD.
41. They also called for expediting negotiation and conclusion of the international regime on access and benefit sharing, as an instrument for protecting intellectual property rights concerning traditional and indigenous knowledge. India, Brazil and South Africa, as the founding members of the Group of Like-Minded Megadiverse Countries, agreed to strengthen cooperation and co-ordination, with an emphasis on multilateral negotiations and in fostering activities related to South-South Cooperation.
42. They recalled that Brazil, India and South Africa will jointly participate in the Capacity Building Committee of the Group on Earth Observation (GEO), an intergovernmental partnership entrusted with implementing the Global Earth Observation System of Systems (GEOSS). The participation in the Capacity Building Committee provides a unique opportunity for the three countries to cooperate in enhancing the capabilities of developing countries, especially less developed ones, in the use, analysis, interpretation and modelling of Earth Observation data, for applications in the nine societal benefit areas of GEOSS, which comprise Agriculture, Health, Disasters, Water, Ecosystems, Climate, Meteorology, Energy and Biodiversity.

CLIMATE CHANGE

43. The Ministers expressed their satisfaction with the results of the Montreal meetings (COP-11, COP/MOP-1), particularly with the adoption of the Marrakech Accords and the establishment of the Ad-hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol to consider such commitments for the period beyond 2012. They further urged developed countries to meet their own commitments and undertakings under the Protocol not only in

terms of complying with current targets for Greenhouse Gases (GHG) emission reduction, but also in terms of their commitment in respect of technology transfer, capacity building and financial support to developing countries. They also welcomed the dialogue on long term co-operative action to address climate change by enhancing implementation of the Convention.

44. They also agreed on the need for continued consultations within IBSA Forum on the environment and climate change issues.

IBSA FACILITY FUND FOR ALLEVIATION OF POVERTY AND HUNGER

45. The Ministers reiterated the fundamental character of the IBSA Fund as a means to disseminate the best practices in the alleviation of poverty and hunger. They emphasized the importance of the participation of institutions of IBSA countries (Governmental and Non-Governmental) in the projects financed by the Fund and recommended that the UNDP, as administrator of the Fund, find means to make that participation possible.
46. The Ministers received the report of the visit of the Technical Monitoring Committee (TMC) to Guinea Bissau and accepted the recommendations made by the TMC, especially concerning the management of the project, and urged the UNDP Office in Bissau to work more closely with the UNDP Special Unit for South-South Cooperation in New York, the Coordinator of the project and the Guinean Bissau national authorities. They accepted the Committee's recommendation that an additional agreement be signed with UNDP in order to clarify rights and obligations of both parties.
47. The Ministers reiterated their commitment to move forward with other projects in the scope of the Fund. They welcomed the finalisation of the concept paper of the project on waste collection in Haiti (Carrefour Feuille) and called upon speedy appointment of a project coordinator so that the project can be implemented as soon as possible.. They underlined the importance of making progresses in the drawing up of the projects benefiting Palestine and Laos.
48. The IBSA countries recommitted themselves to allocate at least US\$ 1 million a year to the Fund.

IBSA SECTORAL COOPERATION

49. The Ministers reviewed the work of the sectoral working groups and adopted their reports.

50. Reference was made to the two Workshops on Information Society and E-Government, held in South Africa and India, and to the commitment of the three delegations to actively participate in the last event of the series, to take place in Brazil, in June 2006.
51. The Ministers welcomed the agreement reached by the Working Group on the Information Society, on the content of the “IBSA Framework for Cooperation on Information Society”, setting up the basis and defining modes of cooperation in the fields of Information Society and Communication Technologies, and took note with satisfaction of the Joint Action Program for 2006-2007, prescribing specific initiatives in all fields of cooperation covered by the Framework. The Ministers also welcomed the development of the IBSA website (www.ibsa-trilateral.org), maintained by South Africa, and invite the various working groups of the IBSA Forum to provide content and make full use of this channel of communication.
52. The Ministers recognized with pleasure the high level of coordination between the three delegations during the second phase of the World Summit on the Information Society (WSIS), held in Tunis, in November 2005, and its preparatory works. In this regard, the three countries reiterated their commitment to keep working together during the WSIS follow-up process, as well as in other international fora related to the issue, to promote the use of Information and Communication Technologies as a tool for development and to build multilateral, democratic and transparent global Internet governance mechanisms.
53. The Ministers decided to formalise the establishment of an additional sectoral working group on Social Issues, as a follow-up to the International Seminar on Economic Development and Social Equity, held in Rio de Janeiro, on 3rd and 4th August, 2005. They also expressed their intention of establishing as soon as possible a working group on Public Administration.
54. The member countries reiterated their commitment to further promote the production and use of Biofuels as environmentally friendly and sustainable fuels which promote socio - economic development, taking into consideration their global importance. Progress is being made, on exchange of information on Renewable Energy and the Biofuels value chain.

55. More emphasis will be placed on exchange of information into the areas of energy efficiency and conservation, and hydrogen energy. India will host the second technical meeting of the Energy Working Group, to which other stakeholders including private sector players may be invited for the enhancement of implementation of IBSA initiatives.
56. The Ministers agreed on the importance of new initiatives aimed at strengthening economic and trade relations among developing countries, as a means to generate business opportunities and contribute to an international trade scenario more suitable to their development projects. In that regard, they took note with great satisfaction that Mercosul will be proposing to SACU and India the creation of a Working Group to explore the modalities of a Trilateral Free Trade Agreement (T-FTA) among them. They underlined the significance of this exercise and expressed their full support to the initiative.
57. Further the Ministers supported the initiative of a renewable source of energy seminar and the proposals to assist Small, Medium and Micro Enterprises through the proposed study on how to make business in the IBSA countries, and the proposals on sharing of experiences and training opportunities.
58. The Ministers also laid emphasis on the need to conclude the bilateral customs cooperation agreements expeditiously.
59. The member countries decided that, in taking forward the renewed approach to IBSA deliverables, South Africa should host a meeting on civil aviation and maritime transport in April 2006. This meeting will focus on the finalization of the trilateral on maritime transport agreement and also review implementation of air transport agreement. It should be noted, in addition, that during the present meeting of the working group in Rio, which also included the presence of representatives of Air India, VARIG and SAA, tremendous progress has been made and concrete projects have been identified for cooperation. To this end cooperation will be fostered in areas of airlink expansions, training and knowledge sharing in airports and airspace management, port management, operational and infrastructural systems, including capacity building in shipbuilding, environmental management and navigational systems.
60. The development of transshipment facilities will also be made a

priority in order to support the IBSA trade strategy which advocates for the creation of South-South shipping highway that integrate subregional connection between MERCOSUL, SACU and Indian regions.

61. The Ministers noted progress on the establishment of a framework to strengthen cooperation in the field of agriculture. Specific areas of cooperation that have been identified are: research and capacity building, agricultural trade, rural development and poverty alleviation, and other allied areas as may be agreed.
62. Following the successful meeting of the health working group held in Brazil from 6th to 10th February 2006 in which broad areas of cooperation were discussed, the South African Minister of Health invited her counterparts for a meeting in March 2006. However, this meeting will now take place on the margins of the WHO meeting in Geneva, in May 2006.

IBSA TRADE AND INVESTMENT FORUM

63. The Ministers noted with satisfaction the results of the Trade and Investment Forum. The forum was divided into four panels: a) Trilateral trade analysis; b) implementation of the preferential trade agreements between Mercosul, India and Southern African Customs Union (SACU); c) challenges to the growth of the trilateral trade (barriers, logistics and financing); and d) organization of the trilateral business meeting on the occasion of the IBSA Meeting of Heads of Government and State in September 2006. The delegations of India, Brazil and South Africa presented data and facts concerning trade issues that thrusted fruitful discussions among the businessmen attending the meeting.
64. It was presented an evaluation of the current aspects of the negotiations involving Mercosul, Sacu and India. All delegations concluded that there must be an expansion on acting positions to fit the ever growing market of the three countries. The importance of solid links between the three countries was mentioned several times and also the necessity of a stronger South-South union. The possible substitution of imports from northern countries by imports from southern countries was considered a possible solution to enforce this new commercial agreement.
65. Brazilian businessmen pointed out that among the main barriers to

be eliminated to foster trilateral trade are: a) logistics, b) customs procedures, c) lack of information and d) distances. The logistic problem was tackled by the suggestion of a study (previously discussed in the IBSA work group for trade and investment (on march 28th) to further address the issue. The private sector also emphasized the necessity of creating flights uniting Brazil-South Africa-India. The measure would help to narrow the distances both physical and cultural between IBSA partners.

66. In what concerns customs procedures, it was suggested more cooperation in the area by the specific government institutions, in order to simplify many of the regulations and turn the customs process into a more unified process.
67. The study suggested in the work group of trade and investment, as well as the magazine "Brazil Brand of Excellence", the Brazilian website "Brazil Trade Net" and the creation of the IBSA site, were solutions proposed to help ease the gap of information, and bring businessmen from the three countries closer.
68. A great deal of possible solutions were suggested to help strengthen the IBSA economic area: more aggressive free trade agreements, closer relations between businesses and industries from the three countries, enhancing contact between the automobile industries of IBSA.
69. Some sectors were also given special attention: the renewable energy sector and ethanol industry. The WG on trade and investment decided to create a seminar that will happen in South Africa before the Summit in September.
70. The meeting was praised and considered by the attendants as highly productive. It is expected new steps towards a more united and stronger IBSA by all.
71. The Ministers of India and South Africa confirmed the participation of Prime Minister Singh and President Mbeki in the IBSA Summit to be convened by Brazil on 13th September 2006.
72. The Ministers welcomed the announcement by Brazil of the II Conference of Intellectuals from the Africa and the Diaspora, which will take place in Salvador, on 12th-14th July 2006. Representatives from India will also be extended an invitation to attend this meeting as observers.

73. The Ministers of India and South Africa expressed their deep gratitude to the Minister of Foreign Affairs of Brazil for convening the Third Meeting of the Trilateral Commission.
74. The Ministers agreed that the next meeting will be hosted by India in the first quarter of 2007.

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049. Special Media Briefing by Foreign Secretary Shyam Saran on the visit of Prime Minister Dr. Manmohan Singh to Brazil and Cuba.

New Delhi, September 8, 2006.

OFFICIAL SPOKESMAN (SHRI NAVTEJ SARNA): Good evening everybody. We are very glad to have the Foreign Secretary here to brief you on Prime Minister's visit to Brazil and then to Cuba.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Thank you very much. I would like to wish all of you a very pleasant afternoon.

The Prime Minister will be visiting both Brasilia as well as Havana, Cuba for three different sets of meetings. The first is an official bilateral visit to Brazil at the invitation of President Lula of Brazil on the 12th of September.

On the 13th, there will be a summit meeting of IBSA countries - that is, India, Brazil and South Africa. This, as you know, has emerged as a very important grouping of these three major developing countries which spans three continents - the continents of Asia, Africa and Latin America. Finally, on September 15-16, the Prime Minister would be in Havana to attend the Non-Aligned Summit which is being held there.

Let me start with the bilateral visit to Brazil. Brazil, as you know, is an extremely important country. It is the largest country in Latin America. It has a population of about 186 million. It has a GDP of nearly 800 plus billion dollars. Today it has become one of the most dynamic economies in the world. It is a flourishing democracy. Over the recent years, we have established a very close partnership with Brazil. Our trade currently is about

2.3 billion US dollars. Our exports to Brazil are already 1.5 billion US dollars. So, as you can see, it is a very important economic partner for India.

In addition to that what is also very important is the kind of cross-investment which is taking place between the two countries. The ONGC Videsh Limited has already invested about half a billion dollars in an offshore petroleum exploration project. Petrobras, which is the Brazilian counterpart of ONGC, is looking at investing in a very major offshore field in India. It has, in fact, almost decided to make that investment. We have a number of our pharmaceutical companies which are already very well based in Brazil and, in fact, are using Brazil as a very convenient platform for accessing other Latin American countries.

We also have with Brazil a lot of cooperation in various fields. One of the very important initiatives which Brazil has taken is based on the great success that it has achieved in the use of ethanol as an alternative to petroleum for its energy requirements. India has already conveyed to Brazil our intention to join the International Ethanol Initiative which Brazil is going to be launching.

Brazil has recently emerged as a very important country in commercial agriculture because it has a very large amount of fertile land available. Only six per cent or so of its arable land is actually under cultivation today. So, there is a vast potential. So, we are looking at the possibilities of a much closer cooperation in terms of commercial agriculture with Brazil.

Brazil has also made some very significant advances in the field of aviation. Maybe you are all familiar with the well known Embraer jet aircraft. So, we are looking at that emerging as an important area of joint collaboration between our two countries. So, as you can see, there is already a strong economic and trade partnership between the two countries, and we believe that there is a tremendous potential for us to take this partnership to a much higher level.

Politically, Brazil being, as I said the most important country in Latin America and also a very important partner in this IBSA grouping, has also traditionally been very much on the same side as India when it comes to important international security related issues. India and Brazil have been partners in the global effort in the field of disarmament. We have worked together very closely on these issues. We are on the same side when it comes to global trade negotiations. In fact, in the current Doha Round we have cooperated very closely together championing the cause of developing

countries. This partnership is only going to increase further in the years to come. Also very important, as you know, Brazil is also part of the G-4 grouping - the G-4 countries who are leading the movement for reform of the UN Security Council who are contenders for permanent membership of the Security Council. So, when it comes to issues of UN reform, in particular UN Security Council reform, again India and Brazil are very closely associated with each other.

This visit is really the first visit by an Indian Prime Minister in 38 years. The last visit was 38 years ago by Mrs. Gandhi. So, a visit from India has been really due for sometime. President Lula had been on a visit to India as the Chief Guest at the Republic Day in 2004. So, this is a very welcome opportunity to reinforce the political relationship between our two countries.

Let me then move on to IBSA. The IBSA grouping was established about three years ago with India, South Africa and Brazil. But this is the first summit which is being held of the three countries. We have, of course, met on the margins of the UNGA both in 2003 and 2005. In a sense, this is the first summit of the three countries. I think it reflects the very rapid growth in the partnership amongst the three countries and their own perception that this grouping has in a sense come of age and has a major contribution to make to the interests of the three countries, and a recognition that as three of the most important developing countries spanning really the three continents, there is a certain role that can be played by these countries in South-South cooperation, in also amongst themselves by pooling their very considerable scientific and technological resources together, their very considerable economic resources together, harmonizing their positions in international fora, whether they be political fora, or economic fora. From that point of view, upgrading this relationship to the summit level, all the three countries believe, is a very timely development.

There will be, of course, a meeting of the three Heads of State and Government. There is also a business component. There are CEO delegations from the three countries who would also be interacting on the margins of the summit because we do believe that the economic partnership that we are talking about needs to be buttressed by much greater interaction amongst our private sectors.

The agenda is really quite broad. The declaration, for example, that we are working on will be looking at a number of regional issues. We will

be looking at a number of international issues, global issues. We will be looking at some of the specific areas in which the three countries could be working together. What I would like to do here is to give you just a sense of the kind of things that we will be focusing on.

On the political side, certainly the reform of the United Nations is a very important element and we will be talking about the UN Security Council reform. Certainly from our point of view the issue of international terrorism is going to be a major theme during the summit. Both Brazil and South Africa had expressed their outrage at the Mumbai blasts and are very much conscious of the need for there to be an international effort, a global effort, to confront the problem of terrorism. So, this is one very important theme. We would also be touching upon issues like human rights. We will be talking about the situation in West Asia, particularly the recent events in Lebanon.

On the economic side there will be a focus on issues such as the Doha Round and what kind of outcome we expect from Doha Round. All three countries have been emphasizing that development needs to be at the centre of these negotiations, that this should be able to create a truly multilateral, a non-discriminatory, rule-based international trading system.

We would also, in the Declaration, be talking about the peaceful uses of nuclear energy which is an important area for us. There will be a reflection of the belief of all three countries that we need to develop the peaceful uses of nuclear energy as a contribution to energy security. By the way, we will also be, in the Declaration, focusing attention on the issue of disarmament because there is a belief amongst all the three countries that somehow the issue of disarmament, in particular the issue of nuclear disarmament, appears to have fallen off the global agenda. This is something that we would like to bring back into global focus once again. So, there will be a reflection of that conviction in the Joint Declaration.

We would, of course, be talking about a number of things that we can do together in the trilateral framework. We are looking at what are the kind of barriers which are there to really energizing the trade relationship amongst the three countries. Almost immediately what comes to mind is the transportation linkages because unless you have efficient shipping services linking the three countries, unless you have air services serving the three countries, it is difficult to see how we can really realize the full potential of our economic partnership. So, this is one area which we are going to be focusing attention on.

With regard to trade itself, there is the regional trade grouping MERCOSUR. You have the Southern African Customs Union of which South Africa is a member. So, we are looking at a trilateral trade grouping in which India would be really setting up a kind of a preferential trading area with MERCOSUR as well as Southern African Customs Union. We are going to have a Joint Study Group which would be looking at the possibility of really setting up a free trade regime amongst the three partners. That is something which will lead, hopefully, to very specific recommendations that can be considered by the three Governments.

As I mentioned to you, one of the very major areas of concern for us is energy and the need for us to work together on energy security. Here, whether it is in terms of exploration of and the exploitation of conventional sources of energy, certainly oil and gas, we are also looking at non-conventional resources of energy. In that connection I mentioned to you the Brazilian advances in things like bio-fuels, particularly ethanol. This is one of the areas where we would be working together.

In some of the other areas we are looking at how we can bring together our considerable scientific and technical resources of the countries. We have very well-established science and technological research networks, very good infrastructure. So, we are looking at how we can bring this together in order to deal with certain common problems. These relate particularly to, for example, public health issues like tackling global HIV AIDS, also malaria and tuberculosis which has seen resurgence in recent years. This is another area.

We have also a trilateral project for poverty alleviation currently in Guinea Bissau. We are looking at how we can expand this South-South cooperation for development of third-world countries, particularly countries in Africa. This is one area where we feel that as three major developing countries we can contribute to the development of the third-world countries. So, these are some of the important areas.

Now let me give you just a sense of the bilateral agreements and the trilateral agreements which are going to be concluded. With respect to the India-Brazil bilateral relationship, there will be an agreement on scientific and technological cooperation between the two countries. We are looking at an air services agreement, precisely what I mentioned to you the need to have better air services between the two countries. We are also looking at an MoU between the Bureau of Indian Standards and its Brazilian

counterpart which is known by its acronym ABNT. There is going to be an MoU on cooperation in the field of human settlements, which is really between our Ministries of Urban Development and Poverty Alleviation and the Brazilian Ministry of Housing. This is essentially to really exchange our experiences in terms of low-cost housing and in terms of development of real estate.

There will be an MoU for the conduct of Weeks of Indian Culture in Brazil and then corresponding Weeks of Brazilian Culture in India. There will be an MoU on Plant Health Cooperation between the two countries. The MoU between the BMEL and a Brazilian company for manufacture of railway wagons is something which is in the works. There will also be an MoU between the ONGC Videsh Limited (OVL) and Petrobras of Brazil for much more expanded cooperation between our two oil majors. These are the bilateral agreements with Brazil.

Under IBSA, we are looking at an MoU on trilateral cooperation in agriculture and allied fields. There will be an MoU on India-Brazil-South Africa Dialogue Forum. This forum will be specifically looking at the development of bio-fuels. There will be a trilateral agreement on maritime shipping and maritime transport related matters and a framework for cooperation on information society, essentially in the IT field. Finally there will be an action plan on trade facilitations for standards, technical regulations and conformity assessment. This is essentially for trade promotion. So, as you can see, there are a number of both bilateral as well as trilateral documents which will be concluded during the visit.

This is as far as the bilateral visit and trilateral IBSA summit is concerned. Would you like me to stop here and perhaps take some question from you before I move on to the Non-Aligned Summit?

QUESTION: Today, the *Indian Express* has published a report on what Mr. Jairam Ramesh has said on IBSA¹. Would you like to comment on that?

1. According to *the Indian Express* story Minister of State in the Ministry of Commerce and Industry Jairam Ramesh gave an interview in August to a visiting Brazilian journalist Patricia Campos Mello representing the influential paper *Estado do Sao Paulo* and reportedly said: "The idea that India and Brazil are natural allies is a little naïve.... we are competitors, we are competing in (the) manufacturing sector...we have contrary interest in agriculture (Brazil is on the rise and India on the defensive) and in services, we want an opening much faster than Brazilians...IBSA will be a powerful bloc in South-South cooperation with echoes of 'non-alignment' in earlier times but from the economic point of view, IBSA is little fictitious."

FOREIGN SECRETARY: I do not know what Mr. Jairam Ramesh has said. I have seen the newspaper report. As I mentioned, the IBSA forum is only about three years old. Our sense is that we have already, in those three years, achieved a considerable degree of progress, whether it is in terms of promotion of trade, in terms of promotion of investment. I have spelt out for you a number of areas where cooperation amongst the three countries can really have a lot of potential. Energy security, our cooperation in the health sector, cooperation in the IT sector, these are already proven fields for cooperation. We will also be undertaking a joint study to look at the feasibility of further development including, as I mentioned to you, the possible establishment of a free trade regime amongst India, MERCOSUR and SACU. Let us wait and see. In terms of the complementarities amongst the three economies, which I think has been referred to in this report that you are talking about, our sense is that there is already some proven complementarity from the experience that we have had so far. And we have a sense that the study that is going to be undertaken is probably going to be able to identify many other areas of complementarities amongst the three economies. Let me say that we are quite optimistic in terms of the prospects for cooperation amongst the three countries.

QUESTION: I have two questions. Did the Brazilian Government express its displeasure over the reported remarks of the Minister of State for Commerce Mr. Jairam Ramesh? And, are you going to ask them for their support in the NSG?

FOREIGN SECRETARY: To answer your first question, yes, certain interest was expressed in the reports which have appeared as to what these reported remarks imply. We on our part have conveyed the assurance that we attach great value both to our bilateral relationship with Brazil as well as to the prospects for cooperation on a trilateral basis in IBSA. With regard to the question on NSG, as you know Brazil is the current Chairman of the NSG and we have been in close touch with them on the adjustment of the NSG guidelines to enable nuclear energy cooperation with India. Our sense is that Brazil has played and will continue to play a helpful role.

QUESTION: Talking about South Africa, has South Africa indicated its willingness to back India at the NSG?

FOREIGN SECRETARY: This matter was raised by Minister of State Shri Anand Sharma when he visited South Africa. He had also taken up this matter at the highest level with President Mbeki. There again, our sense is that South Africa would be supportive of India.

QUESTION: Are we looking at sporting ties with Brazil in football?

FOREIGN SECRETARY: We have a recommendation from no less a person than Minister Priya Ranjan Dasmunsiji that we should look at the possibility of cooperation in terms of soccer training, football training, from Brazil. I can assure you that this will be one of the important issues which will come up in the meeting that our Prime Minister will have with the Brazilian President.

QUESTION: On the issue of trade, do you have any comparative trade figures for Brazil, India and South Africa?

FOREIGN SECRETARY: I think I gave you the figures. With Brazil trade has increased from about 500 million dollars in the year 2000 to 2.3 billion dollars in 2005. With regard to South Africa, the figure is 1.7 billion dollars in 2001 which grew to 4.035 billion dollars in 2005.

QUESTION: Can you just come again on the Ethanol Initiative?

FOREIGN SECRETARY: Brazil is a leader in the use of ethanol in place of gasoline and this has been a great success story. Now especially with petroleum prices rising, the use of ethanol has become even more attractive than before. So, the Ethanol Initiative essentially is a recommendation that it should be made mandatory that 10 per cent of all transportation requirement should be met by the use of ethanol, or at least that should be the target. While this is being done by Brazil on a national basis, and it is something which has been also encouraged in several other countries, what Brazil is now proposing is that in view of the rising oil prices and the energy challenge which many developing countries are facing, we should be looking at an international effort to promote the use of ethanol. As I mentioned, we have supported this initiative and have agreed to be a part of this initiative.

QUESTION: Is the Indian Government or some Indian companies going to buy land in Brazil and manufacture ethanol? Is there some proposal like that?

FOREIGN SECRETARY: I do not think we have gone to that extent of specificity. As I mentioned, there is quite a large amount of arable land which is available in Brazil and there are prospects for commercial farming. This is something which even our own private sector is already looking at. So, it is possible that this could be one area where we could collaborate together.

QUESTION: On this NSG issue, what is our take on Brazil's stand? Is it amenable to India?

FOREIGN SECRETARY: I have mentioned, our sense is that the general attitude appears to be that while there are concerns with respect to nonproliferation, taking into account the excellent relations that these countries have with India, taking into account the impeccable record that we have with respect to nonproliferation, the adjustment of the NSG guidelines is something which many of our friendly countries will not stand in the way of.

Let us come to the Non-Aligned Summit. The Ministerial Meeting will be held on the 13th and 14th of September followed by the summit meeting on the 15th and 16th of September. There will be an inaugural event which would take place on the 15th of September and then the plenary debate will continue. The theme which has been chosen for this particular summit is "Purposes and Principles and the Role of the Non-Aligned Movement in the Present International Juncture". That is the theme that the Heads of State and Government will be focusing attention on.

There has been a lot of talk as to whether the Non-Aligned Movement is still relevant in global affairs, is there any possibility of the Non-Aligned Movement being revitalized to once again play an important role in international affairs, does Non-Aligned Movement have any meaning in today's world. I think what we have to recognize is that this movement, including as it does virtually all the major developed countries from across the globe, has a certain relevance, if for nothing else just for that. You do not have today a forum which is as representative of the developing world as the Non-Aligned Movement.

India, as one of the founder members of the Non-Aligned Movement, certainly believes that it continues to have relevance. That does not mean that that particular relevance or the role of Non-Aligned Movement could have in international affairs is actually being performed. We certainly believe that there is a great deal that needs to be done in order to energise the movement, in order to enable the movement to really play a role not only in terms of the major political issues facing the international community but also in terms of very major economic and social issues facing the world today. Our sense is that globalization, which is a fact of life, has brought about benefits to developing countries. It has opened up many possibilities

for much higher growth amongst developing countries. But there is no doubt that in terms of the benefits it is an uneven picture. There are countries which have gained from this process of globalization: there are countries which have been left behind in this process of globalization. I think one of the challenges, therefore, is how we make the process of globalisation something which in terms of its benefits is much more inclusive in character. I think that is one area in which the non-Aligned Movement may certainly play an important role.

Another aspect that we are looking at is that today somehow or the other we are entering into what looks like another era of a global divide where people have started talking about the reality of clash of civilizations, people are talking about there being a kind of a confrontation with Islam. We as a plural democracy ourselves, we as a multi-ethnic, multi-religious country ourselves, believe that really what we should be talking about today is really a confluence of civilizations rather than a clash of civilization. I think there is a great responsibility amongst countries like India and certainly Non-Aligned Movement we feel as a grouping which really encompasses every religion that is known to mankind, every ethnic group that exists on this planet. If we have such a grouping, can we not utilize this great asset that we have in order to promote that sense of confluence, a sense of understanding? So, even during its early part of its existence the Non-Aligned Movement projected itself, found a role as a bridge in the global divide of that age where there was an East-West divide. Can we today find also a similar kind of a bridging role with regard to another divide which seems to be emerging and which needs to be prevented?

So, if the Non-Aligned Movement is a grouping of countries which coexist together, which have learned to work together despite the fact that they represent different religions, different ethnic groups, I think a very strong message can come from this movement in terms of preventing that global divide and promoting a sense of coexistence, a sense of mutual tolerance and trust amongst our different countries. So, we believe there is a role that Non-Aligned Movement can play.

The other aspect is that Non-Aligned Movement, right from the inception, has always been preoccupied with the theme of development because after all we are all developing countries. How to utilize the strength of numbers that we have, the great influence that we have precisely because of the fact that we come from across the globe - Latin America, Africa, Asia, as also from Europe? How do we ensure that we can pool our strength

together and the collective influence that we can bring to bear to try and resolve some of the major global issues of our time?

When we have talked about globalization we have all along been saying that today there are issues which are not amenable to national solutions; there are issues which are not amenable to regional solutions. If we are talking about terrorism; if we are talking about the challenge of energy security or the related issue of environment, the safeguarding of our global environment; if we are talking about global public health issues; if we want to succeed in overcoming any of these major challenges that are facing us; there is no doubt that unless you can have a global effort, unless you can bring the majority of countries together on one platform, how do we resolve these problems?

The question is whether or not the Non-Aligned Movement and the members of the Non-Aligned Movement see their destiny, see their future in being able to work together, in recognizing that there are these global challenges. Can the Non-Aligned Movement today in a sense reinvent itself really as a movement to promote solutions to these very important contemporary challenges that we are facing? What I can tell you is that certainly the effort on the part of the Indian delegation, certainly the effort on the part of the Indian Prime Minister will be to try and project that kind of a new contemporary vision for the Non-Aligned Movement when he is there in Havana.

We would certainly like to avoid a situation where we merely have a declaration which is a collection of various paragraphs which are given by different countries or groups of countries on issues of interest to them. That is one way of coming out with a declaration. Yes, we understand that there are regional issues which are very important to the countries concerned and they are very important globally. For example, what happens in West Asia is of concern not only to countries in that region, but also to the rest of the world as well. Having said that, I think it is important that we take advantage of the collective strength of the movement.

So, if there is a message which comes out on say issues like the importance of disarmament, as I mentioned to you in the IBSA context; bringing nuclear disarmament to the top of the global security agenda; making sure that all our countries from across the globe really have a common stand with regard to terrorism or with regard to say the Doha Round, on international trade and economic issues; this could undoubtedly

make a very big difference in terms of the outcome of our effort. So, that will be really the effort that will be certainly made by us.

Amongst the themes that we are looking at, in the final document we have been discussing UN reform, terrorism, regional issues like Afghanistan, West Asian issue including both Lebanon and Palestine. Then we are looking at economic and social issues. These include, of course, the aspect of South-South cooperation, our role in the World Trade Organisation, what we can do together to deal with HIV AIDS and environment. We are talking about working together on issues such as what we can do to network the considerable resources, research resources, which are available amongst our developing countries for agriculture or industry. These are some of the issues that we will be focusing on during the summit and these will find reflection in the final document.

It is a historic summit because we return to Cuba which is one of the major NAM countries and one of the founder countries. President Castro was also the Chairman of the Non-Aligned Movement from 1980 to 1983. You will recall that the 1983 summit was held in New Delhi when India received the mantle from Cuba for chairing the Non-Aligned Movement. So, we go back after 26 years to Cuba. So, it is going to be a very historic occasion. We certainly hope that this will be a historic occasion not only in mere symbolic terms but really in transforming the role of the Non-Aligned Movement as far as the current international situation is concerned.

Thank you very much.

QUESTION: I want to ask you about the India-Pakistan meeting. When is that supposed to take place? What are the chances of it happening?

FOREIGN SECRETARY: There would likely be a meeting between President Musharraf and Prime Minister Dr. Manmohan Singh. It will be on one of the two days of the summit. I think the summit is on the 15th and 16th. So, it will be on one of those days.

QUESTION: What are the signals that you are getting from the Pakistani side? What are the chances of going ahead with the peace process?

FOREIGN SECRETARY: I would not like to prejudge the dialogue which Prime Minister and President Musharraf would be having. But I think it would be fair to say that both the leaders are very conscious of the importance of India-Pakistan relations. Both are leaders who are committed

to taking forward the dialogue process, taking forward the peace process. At the same time there is recognition that unless the issue of terrorism is addressed and addressed in a substantive way, it is difficult to ensure the success of this process. So, I believe that it is in that spirit that the two leaders will be meeting and talking to each other.

QUESTION: Does India intend to play some sort of a moderator role given the strong possibility that there will be anti-US rhetoric coming out of NAM? How do you feel about that?

FOREIGN SECRETARY: It is not just India, it is a matter of, as I said, the collective voice of the Non-Aligned Movement. If the Non-Aligned Movement has had an impact on the international public opinion, that impact has been not by making strident statements, not by just indulging in condemnatory language but in being able to identify what the problems and what the challenges are and, much more important, offering solutions. So, our efforts would be that the message which should be coming out of the Non-Aligned summit should be a constructive one, should be one which seeks to unite rather than seeks to divide. I think that is where our strength lies.

QUESTION: Is there going to be a G-15 meeting on the sidelines of this summit in Havana?

FOREIGN SECRETARY: I believe that is being planned on the 14th. But I am not certain that the Prime Minister would be able to attend that meeting. But there will be an Indian presence. Let us see what emerges out of that. I think Algeria is chairing that meeting.

QUESTION: If I can take you back to what you said, you said that unless the issue of terrorism is addressed and addressed substantively, it will be difficult to carry forward the dialogue process. The question is, what exactly do you mean by that? Does it mean that the Foreign Secretary level talks which had to be postponed on the 22nd of July will not be announced till Pakistan addresses our concerns? What exactly do you have in mind when you say 'addressing our concerns'?

FOREIGN SECRETARY: I think I have been fairly clear in what I mean. Let me just correct you that there were no dates for the Foreign Secretary level talks which were then postponed. What happened was that no dates were in fact given for this Foreign Secretary level talks. So, what we really have to do is to set up a date for the Foreign Secretary level

talks. Let me also remind you that other aspects of interaction between India and Pakistan like the technical level meetings are in place as scheduled. None of those have been interrupted. So, essentially it is that dates for the Foreign Secretary level talks as part of the Composite Dialogue have not yet been finalized. Yes, if the results of the summit meeting between the Prime Minister and President Musharraf are satisfactory, and we see that there is willingness on the part of Pakistan to work together with India to deal with what Pakistan itself says the shared challenge, shared threat. If it is a shared threat, then India and Pakistan should be seen as working together to eliminate that threat. I do not think it is necessary for me to spell out what are those specific steps which could be taken. I think both India and Pakistan know what needs to be done.

QUESTION: Will there be any other significant bilateral meetings with the Prime Minister at Havana? Will President Castro be in a position to inaugurate the summit?

FOREIGN SECRETARY: I do not have any confirmation with regard to President Castro's presence. The latest indication is that he would probably be there for the inaugural ceremony but that remains to be seen. Yes, of course, Prime Minister will be meeting several other Heads of State and Government in Havana. But I do not have a ready list at the moment because these meetings are still in the process of being scheduled.

QUESTION: The fifth anniversary of 9/11 is on Monday. Can you tell us what impact does it have on India and what it means for India five years after?

FOREIGN SECRETARY: I think we have pointed out a number of times that we have been dealing with the issue of terrorism for a much longer time much before 9/11. Our struggle against terrorism is certainly not just five years old. But what 9/11 did do was to bring the global dimension of this problem out into the open, that this is not only India's struggle but what India has been dealing with is part and parcel of a global struggle. What is important is that today there is a recognition that this is not a challenge, no matter how powerful a country there may be, which can be faced by using national means and there is need for cooperation amongst all the countries in the world. We have also pointed out that if you look at the recent incidents that have taken place, these in fact bring home to us the fact that there is a network which - you call it Al Qaeda, or you call it Taliban, or you call it Lashkar-e-Tayyaba, or you call it Al-Badr, or you call it Harkat-ul-Mujahiddeen, you may refer to it by various names - is part

and parcel of the same network. So, any attempt to try and deal with one aspect or one manifestation of that problem and ignoring the other manifestations of that problem is simply not going to work. What we are seeing happen today is precisely that. If the fifth anniversary of 9/11 enables us to move from that global recognition that this is a problem that faces all of us, to a global action amongst all the major countries to deal with the problem in its entirety, the problem in all its manifestations, if we are able to graduate to that level of cooperation, I think it would be a very fitting way to commemorate this anniversary.

QUESTION: How do you view the compromise reached between the Pakistani Army and Taliban in Waziristan area?

FOREIGN SECRETARY: Frankly speaking, I have no details of what precisely this deal is. From what I understand, the Pakistani Army would move out from these tribal areas and the job of policing these tribal areas will once again be of the tribes themselves with some kind of an understanding between the two sides. Well, we will wait and see how this will work. You have seen that there are assessments that this may mean that the Taliban may have a free run in those areas. If that is the consequence of this deal, then, of course, it is rather ominous. If as is being argued by people who support it that this will lead to a better management of this border between Southern Afghanistan and Pakistan, it could be a good thing. But I think the jury is still out. We will have to wait and see. Thank you very much.

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050. Statement of Prime Minister before his departure for First IBSA Summit.

New Delhi, September 10, 2006.

I will be visiting Brasilia at the invitation of President Luiz Inacio Lula da Silva. The bilateral visit to Brazil on September 12 will be followed by the India-Brazil-South Africa (IBSA) Summit where President Mbeki of South Africa will also be participating.

I expect that my visit to Brazil will consolidate an extremely positive trend in our bilateral relations with that great country which we consider as one of our main partners in Latin America. I hope to discuss a wide range of issues including adding content to our political and economic interactions and cooperation in defence, agriculture and energy security. Brazil and India already enjoy an excellent tradition of cooperation in international fora.

IBSA has already emerged as a shining example of South-South Cooperation. The first IBSA Summit will provide a useful opportunity to review the progress that has been made over the last 3 years since IBSA was first established. Our discussions are expected to focus on issues of global concern including energy security, international terrorism and the challenges of sustainable and equitable development. An IBSA Business Summit will add a new dimension to our interactions.

We have enjoyed close, friendly and historic relations with Cuba. I am looking forward to participating in the 14th NAM Summit Conference being held in Havana. As a founding member of this great Movement, India will play its part in helping NAM to revitalize itself so as to pursue the shared interests of its member states in a transformed world. Mutual support and solidarity among NAM members is of prime importance as we confront several common challenges such as making globalization more inclusive, the scourge of terrorism and addressing widespread hunger, poverty and disease. We will rededicate the Non-Aligned Movement to the universal causes of peace, disarmament and the progress and prosperity of all human kind.

During my stay in Havana, I look forward to fruitful interactions with a number of leaders from the developing world.

051. Statement by Prime Minister Dr. Manmohan Singh at Plenary Session of the First IBSA Summit.

Brasilia, September, 13, 2006.

Your Excellency President Luiz Inacio Lula da Silva, Your Excellency, President Thabo Mbeki, Distinguished delegates,

It is always a pleasure and privilege to be with friends. We are, indeed, fortunate to count Brazil and South Africa among our closest friends. I am, therefore, personally very happy to be here today with the Presidents of both countries for the first IBSA Summit.

We thank you President Lula for hosting us in this enchanting green landscaped city of Brasilia. We also thank you for your gracious hospitality and for the excellent arrangements that have been made for our meetings.

The holding of this historic Summit confirms the success of our three year-old experiment and that there is, indeed, a shared vision that unites our three countries committed to sustained and sustainable development in the framework of a democratic polity.

The idea of IBSA is without precedent. Three countries, from three different continents, coming together to consult and coordinate on global issues of common concern. They are also collaborating in ways that strengthen their respective national efforts to address the formidable developmental challenges that we all face.

Despite the geographical distances that separate our countries, there is much that we have in common. All three of us belong to the developing world. We are pluralistic and multi-cultural societies. We are the largest democracies respectively on each of our continents and these values bind us in a unique way. Our three countries are committed to economic growth, with social equity and inclusion. We also accept the responsibilities that come with the role that is expected of us by the international community in this increasingly inter-dependent world that we live in. It is these commonalities that provide the basis and the foundation for the success of our innovative venture.

The utility that IBSA brings to the world community is evident in the leadership that our three countries have provided to the G-20 in WTO trade negotiations. While success still eludes us in the Doha Round, we can

derive satisfaction from the role that we have played in facilitating coalition building on difficult trade matters.

The Joint Declaration that will be issued at the end of the Summit is an impressive document that reflects our common vision on a wide range of political and economic, regional and global issues of common interest. It is a bold and comprehensive agenda of cooperation and if implemented in earnest will propel this grouping of ours to a position where its voice will be heard and heard effectively in international affairs. It will also develop the kind of institutional and business linkages in important sectors of our cooperation such as energy, sustainable development, trade, transportation and science & technology that will impart new momentum and substance to our trilateral cooperation. On Nuclear Energy, I appreciate the fact that IBSA has lent its support for forward looking approaches to enhance international civilian nuclear cooperation.

We have, very correctly, decided that the benefits of our trilateral cooperation should not be limited to our three countries. The IBSA Facility for Alleviation of Poverty and Hunger is a pioneering initiative for South-South cooperation. It is unique for three major developing countries to come together and establish replicable and scaleable projects in other developing countries.

The success of IBSA can demonstrate, perhaps more vividly than through any other measure, the feasibility of the South-South cooperation that goes beyond the conventional areas of training and exchange of experts.

We should expand the idea of IBSA from a project of three Governments to one involving more intensively the peoples and the civil societies of our three countries. This would require a greater emphasis on people-to-people contact, on cultural and educational exchanges and on the promotion of trade and tourism amongst our three countries.

For this vision to be converted to reality, we need to address the critical question of connectivity. The growth of trade, and of people-to-people contact, can reach its full potential only if the movement of goods and people across our three countries is further facilitated. We have an MOU on Air Services, and an Agreement on Maritime Transportation has also been concluded. These agreements need to be operationalized. We also need to consider ways by which the linkages amongst our three countries can lead to India becoming a hub to Asia, Brazil an entry point to Latin America and South Africa a springboard for Africa.

In conclusion, I would like to say for all three of our countries that there is value in investing in IBSA, and that it is a vision we must pledge together to realize. Let us do what President Kubitschek, who was responsible for the construction of this beautiful capital city of Brasilia, had said "50 years of progress in five".

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052. Opening Statement by Prime Minister Dr. Manmohan Singh at the Joint Press Meeting at the First IBSA Summit.

Brasilia, September 13, 2006.

It is a privilege for me to have participated in the 1st IBSA Summit. The privilege is further deepened by the fact that I did so in the august company of two of the leading statesmen of our time – President Lula of Brazil and President Mbeki of South Africa.

It was just over three years ago that IBSA was founded in this city itself. It has since then, recorded significant achievements. Reaching across geographical distance, our partnership illustrates the global village in which we live together today.

The Summit provided a useful opportunity to review the cooperation that has taken lace in the IBSA framework. We also had constructive discussions on issues of global concern. There is, I am pleased to say, a great deal of commonality in our perspectives.

The Joint Declaration that will be issued today is an impressive document that reflects our common vision on a wide range of political and economic, regional and global issues of common interest. We have all pledged to work earnestly to implement this bold and comprehensive agenda of cooperation. It is a matter of satisfaction for India that the Joint Declaration reflects the importance that the IBSA countries attach to increasing international civilian nuclear cooperation through forward looking approaches.

As IBSA evolves, it will acquire new dimensions. It would be our endeavour to see that it moves from being a project of three Governments to one that actively involves the peoples of our three countries. I am happy that a successful Business Summit was held yesterday.

I use this opportunity to thank President Lula for the gracious hospitality that he has accorded to me and my delegation. I also compliment him for taking the initiative to convene this Summit.

053. Joint Communiqué issued at the end of the First Summit Meeting of the leaders of India, Brazil and South Africa (IBSA).

Brasilia, September 13, 2006.

1. The Prime Minister of India, H.E. Manmohan Singh, the President of Brazil, H.E. Luiz Inácio Lula da Silva, and the President of South Africa, H.E. Thabo Mbeki, met in Brasília on 13 September 2006, for the historic 1st Summit Meeting of the India-Brazil-South Africa Dialogue Forum (IBSA). They expressed their deep appreciation with the consolidation of the IBSA Dialogue Forum.
2. The three leaders reaffirmed their commitment to the promotion of peace, security and sustainable economic and social development in the world and in their respective regions. They reaffirmed their commitment to multilateralism and the pre-eminent role of the United Nations. They also discussed the reform of the United Nations and of the United Nations Security Council and the successful conclusion of the Doha Round in the WTO, with the development dimension at the core of its outcome.
3. The Heads of State and Government reiterated their support for the comprehensive reform of the United Nations and welcomed the creation of the Peacebuilding Commission and the Human Rights Council. They reaffirmed the need for a decision regarding the expansion of the Security Council in both its permanent and non-permanent categories, so as to reflect contemporary realities and make it more democratic, legitimate, representative and responsive. They reaffirmed their commitment to continue to jointly pursue a decision on Security Council expansion on an urgent basis.
4. The Heads of State and Government unequivocally condemned terrorism in all its forms and manifestations. They stressed that there can be no justification, whatsoever, for any act of terrorism. They shared the view that the international community must further intensify efforts and cooperation to fight this scourge. They called upon all member states to seriously work towards an expeditious finalization of the text for a comprehensive convention on international terrorism.
5. The Presidents of Brazil and South Africa also expressed their outrage at the barbaric terrorist attacks, carried out on 11 July 2006

in Mumbai and other parts of India. They called upon the international community to undertake all necessary measures to bring to justice perpetrators, collaborators and sponsors of these and other acts of terrorism, as well as those who incite the perpetrators to commit them.

6. The Heads of State and Government reiterated their strong commitment to the Action Against Hunger and Poverty Initiative and, in particular, the Millennium Declaration and the 2005 World Summit Outcome. They noted with satisfaction the progress towards creating an International Drug Purchasing Facility to respond to the challenges of AIDS, malaria and tuberculosis.
7. They also committed themselves to further enhancing trilateral cooperation in the field of HIV/AIDS, Malaria and Tuberculosis and to explore the possibilities of concluding a trilateral instrument for collaboration among all three countries for research and development of HIV/AIDS, Malaria and Tuberculosis diagnostic tools, drugs and vaccines. This would pool the significant capabilities that exist in the IBSA countries.
8. India, Brazil and South Africa, elected to the newly formed Human Rights Council, share common visions regarding the promotion and protection of human rights. The three countries share a common vision to reaffirm the universality, indivisibility, interdependence and interrelatedness of all human rights and fundamental freedoms, including the realization and operationalization of the Right to Development and the special protection of rights of vulnerable groups.
9. India, Brazil and South Africa share similar views regarding the importance of achieving sustainable development, particularly through the eradication of poverty, the promotion of economic growth and the protection of the environment. They urge the donor countries to meet their Official Development Assistance targets and to mobilize new and additional financial resources.
10. The Prime Minister of India and the Presidents of Brazil and South Africa took stock of the global security situation concerning disarmament and non-proliferation of Weapons of Mass Destruction (WMD). The leaders reiterated their commitment to the goal of complete elimination of nuclear weapons. They emphasized the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons in a comprehensive, non-discriminatory and verifiable manner with a specified framework of time.

11. The Heads of State and Government reaffirmed the inalienable right of all States to the peaceful application of nuclear energy, consistent with their international legal obligations. They agreed to explore approaches to cooperation in the peaceful uses of nuclear energy under appropriate IAEA safeguards. They further agreed that international civilian nuclear cooperation, under appropriate IAEA safeguards, amongst countries committed to nuclear disarmament and non-proliferation objectives could be enhanced through acceptable forward-looking approaches, consistent with their respective national and international obligations.
12. The Heads of State and Government deeply regretted that the WTO's Doha Development Agenda negotiations have been suspended. Failure to conclude the negotiations in accordance with the mandate will deprive developing countries of fair and equitable conditions for fully realizing their Right to Development. Distortions affecting agricultural trade and production should be expeditiously eliminated and agriculture should be fully incorporated into the rules of the multilateral trading system. They called upon countries that have not yet done so to substantially and effectively reduce their expenditures on agricultural subsidies. India, Brazil and South Africa shall spare no effort to resume the suspended negotiations.
13. The Heads of State and Government reiterated their commitment towards a fairer global trading system, to the benefit of developing countries. In this respect, and taking into account the spirit of the Brasilia Declaration, they welcomed the progress achieved so far in the São Paulo Round of the Global System of Trade Preferences among Developing Countries (GSTP).
14. The Prime Minister of India, the President of Brazil and the President of South Africa reviewed initiatives for trilateral sectoral cooperation. They expressed deep satisfaction with new, concrete results achieved during the 1st IBSA Summit in the areas of Energy, Agriculture, Transportation, Trade, Science and Technology and Information Society. They decided to further explore additional opportunities for trilateral cooperation¹.

1. A Paper by the UNCTAD titled "IBSA: An Emerging Trinity in the new Geography of International Trade" suggested that there has been a quantitative leap in intra-IBSA trade, which is particularly dramatic between India and Brazil and India and South Africa. The Paper further says that the "growing dynamo role (of IBSA partnership) in intra-regional and inter-regional South-South trade in general augurs well for IBSA trade and

15. The Heads of State and Government expressed their deep satisfaction with the signing, during the 1st IBSA Summit, of the IBSA Action Plan on Trade Facilitation for Standards, Technical Regulations and Conformity Assessment.
16. They expressed their full support and commitment to the expeditious establishment of the Working Group to focus on the modalities for the envisaged India-Mercosur-SACU Trilateral Free Trade Area.
17. They reaffirmed, in parallel, the importance of ongoing India-Mercosur and Mercosur-SACU negotiations with a view to broadening and deepening existing Tariff Preference Agreements.
18. The three countries expressed their satisfaction with the presence of important and high level business delegations from India, Brazil and South Africa at the "India, Brazil and South Africa Business Summit", organized by the Brazilian Confederation of National Industry (CNI) with the support of ASSOCHAM, CII and FICCI from

economic cooperation and for each country using the other partner as a gateway for intensifying inter-continental trade and investment links". From a mere \$200 million in 1998 and \$800 in 2002, Indo-Brazil trade reached \$2.5 billion in 2005 and is expected to be \$3 billion in 2006. India-South Africa trade similarly has grown to \$4 billion in 2005. South Africa-Brazil trade stood at 1.5 billion in 2004. These trends indicate that IBSA was already close to the \$10 billion target set for 2007. These numbers did not fully reflect trade in service or the quantum of trade between them through third countries, nor they factor in the major FDI proposals and joint ventures on the anvil or even in some cases the services trade that is taking place, the paper added. India-Brazil-South Africa Trilateral Cooperation Forum (IBSA) has been described a unique initiative undertaken in the area of South-South economic cooperation. What set it apart was that a "ginger group" of three large, economically well-endowed and dynamic countries, from three developing continents were attempting to strengthen trade, investment, transfer of technology and economic cooperation among themselves. Brazil has become the largest economy in Latin America, with significant global trade presence. India, fourth largest economy in PPP (purchasing power parity) terms and second most populous country, has witnessed impressive economic and trade growth rates in the last few years. South Africa is the largest economy and trading power in Africa, accounting for biggest share of total African trade with the world, according to UNCTAD. "In 2005, IBSA countries are among the top 15 developing countries, in terms of total trade. Their growing significance in international trade is shown by the way India has doubled its global trade share (both exports and imports) from 0.8% in 2000 to 1.6% in 2005, amounting to total trade of \$306 billion. Similarly, South Africa's trade grew to \$102 billion and Brazil's trade reached \$193 billion. The value of Brazil's exports to other IBSA countries increased by 99% over the 1994-2004 decade. The corresponding figures for India and South Africa are 559% and 123% respectively. This implies that the value of trade among IBSA's countries more than tripled from 1994 to 2004. IBSA countries can reinforce the economic strength of each other by creating a market of 1.2 billion people, 1.8 trillion dollars of GDP and foreign trade of nearly 600 billion dollars. IBSA partnership is also of immense strategic value for multilateral negotiations and shaping their respective roles in global economic governance", the paper added.

India, and BUSA, from South Africa. Furthermore, the Heads of State and Government held a meeting with business delegations from the three countries and had a fruitful exchange of views on perspectives and challenges for the expansion of trade among the IBSA countries.

19. The Heads of State and Government expressed deep appreciation for the signature, during the IBSA Summit, of a Memorandum of Understanding on Biofuels, with the decision to create a Trilateral Task Force on Biofuels to work on concrete areas of common interest.
20. The Prime Minister of India and the President of South Africa praised the Ethanol international initiative launched by Brazil and agreed on the need to work together to promote and enhance the use of ethanol and biodiesel.
21. The Heads of State and Government agreed that the Memorandum of Understanding on Trilateral Cooperation in Agriculture and Allied Fields, signed during the IBSA Summit, will be an important instrument to promote socio-economic development and South-South cooperation.
22. The Heads of State and Government welcomed the signing of the IBSA Trilateral Agreement Concerning Merchant Shipping and Other Maritime Transport Related Matters.
23. They also emphasized the importance of implementing the Memorandum of Understanding on Civil Aviation as soon as possible, through the establishment of regular air services linking India, Brazil and South Africa. They encouraged airlines from the three countries to continue working towards this goal.
24. The Heads of State and Government expressed their satisfaction with the signing of an IBSA Framework of Cooperation on Information Society, which provides the basis for future trilateral work aiming at reducing the digital divide in their societies.
25. The Heads of State and Government emphasized the fact that the IBSA Facility Fund constitutes a pioneer and unique initiative of South-South cooperation. In this regard, they expressed their satisfaction with the initiatives in Guinea-Bissau and Haiti. The Prime Minister of India and the Presidents of Brazil and South Africa underscored their countries' commitment to allocate at least US\$ 1 million a year to the IBSA Facility Fund. IBSA members encourage

developing countries, particularly the Least Developing Countries, to submit projects to the IBSA Fund.

26. The Heads of State and Government expressed their satisfaction that the 4th Meeting of the Trilateral Commission would be hosted by India, in the first quarter of 2007. In addition, they considered the possibility of holding the 2nd Summit of the IBSA Dialogue Forum, in South Africa, on a date to be set through diplomatic channels.

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054. Remarks of Prime Minister Dr. Manmohan Singh at the meeting of the Heads of State/Government with CEOs from India, Brazil and South Africa.

Brasilia, September 13, 2006.

Your Excellency, President Luiz Inacio Lula da Silva, Your Excellency, President Thabo Mbeki, Distinguished Chief Executive Officers and Captains of Industry from India, Brazil and South Africa, Ladies and Gentlemen,

It was just over three years ago that our three democracies, open economies seeking to build inclusive societies, decided to come together, linking three great continents. Reaching across geographical distances, our partnership illustrates the global village in which we live together today. The success of our experiment to pursue development within the framework of an open economy and an open society is vital to the well being and empowerment of millions and millions of people in Asia, Africa and Latin America.

We are heartened by the cooperation that has developed in the IBSA framework over the last three years. It is India's firm belief that IBSA needs to be more than a project of three Governments. We are, therefore, pleased with the success of the Business Event that was held yesterday in which representatives of the business communities of all three countries participated.

The advantages of such trilateral cooperation are plainly evident when one considers, for example, the area of energy security. In IBSA, we are fortunate to have a veritable pool of expertise, wisdom and experience. Brazil is a world leader in the use of ethanol. South Africa has coal gasification technology and a well-developed synthetic fuel industry. India, on the other hand, has expertise in wind and solar energy. IBSA can be effective in utilizing our respective competitive strengths in these alternative energy technologies.

The increase in intra IBSA trade over the last three years is a matter of considerable satisfaction. We need to pursue with determination the target of US \$ 10 billion in intra-IBSA trade that was set in the New Delhi Plan of Action adopted in March 2004. We are in discussion regarding a possible trade arrangement that would link India with MERCOSUR and the Southern African Customs Union. We expect this would create a large

and expanding economic space that would allow the utilization of synergies in trade and technology. Besides trade liberalization, we also plan to institute arrangements that would address issues relating to the facilitation of trade in goods, services and of investments. As a start, we propose to establish an IBSA mechanism for exchange of information and of experiences on regulatory issues and for the organization of sector-specific workshops and seminars on technical regulations and conformity assessment procedures. We would also examine the possibilities of harmonizing standards.

We recognize that transportation links are critical and the challenge lies in operationalizing framework agreements in transport connectivity signed by the three countries. Trade and tourism remain much below potential because of problems of connectivity. On the other hand, for connectivity to be established, there is a requirement of a minimum demand base. There would be a willingness on our part to take bold decisions that have, as their basis, our common faith in the future of IBSA.

I am very happy to have had this opportunity to meet the representatives of the business communities of the three countries in the distinguished presence of the Presidents of Brazil and South Africa. In each of our countries, business and government must work together to fully exploit the potential of IBSA. And I have no doubt that there is immense potential in unexplored areas in diverse fields of social and economic activity. Governments can at best work towards facilitating this. The gathering of leaders of business and trade is an expression of our joint commitment to make IBSA a win-win experience for all of us. Promoting greater understanding of each other and fostering the habit of working together regionally, multilaterally and in the context of our three countries is essential in this regard. This Meeting today is, therefore, an important part of the IBSA Summit and we look forward to hearing what the captains of our business community have to say.

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NAM

055. Intervention by Minister of State Anand Sharma at the General Debate of the Ministerial Meeting of the Coordinating Bureau of the Non-Aligned Movement.

Putrajaya (Malaysia), May 29, 2006.

India's former Prime Minister, Mrs. Indira Gandhi, when addressing the NAM Summit in New Delhi in 1983 called the Non-Aligned Movement "the largest peace movement in the world". It has waged the greatest peaceful struggles in world history. It does not need to be taught about human rights. The greatest assertion of the rights and dignity of man were the successful anti-colonial and anti-apartheid struggles. Without these, neither humanism nor human rights would have a universal character. To have relevance, the movement must remain in the forefront of this struggle, emphasizing the comprehensive and integral nature of human rights. For individual and social well-being, civil and political as well as economic and social rights are equally important. The Working Group on the Right to development that met in Geneva earlier this year has made important progress in examining MDG-8 as well as the Bretton Woods Institutions and WTO from the perspective of the Right to Development. We would consider moving in the direction of a legal instrument for making this right a reality. We hear of mainstreaming human rights in economic development. It is equally important to mainstream economic development in human rights.

By definition, to be non-aligned meant to be radical. It was a movement of those who did not accept an international system based on the East-West conflict. The Non-Aligned were non-conformists. Each of them was also not content with some kind of dominion status or limited local self government: they wanted complete independence. These were the two reasons why they did not align themselves with either side. Their shared struggle, hopes, developmental concerns and common history cemented their unity; solidarity was also an instrument of self definition. Today when East-West conflict gives place sometimes to East-West collusion, it is both more difficult but also more important to be united in order to be both non-conformist and independent. Therefore, for the movement to recover its former élan, it is necessary to avoid issues of bilateral conflict or deep division and concentrate on issues where there is a broadly common concern and a broadly common purpose. South-South Cooperation in economics, science and technology (and India is sincerely

doing what it can to the full extent of its capacity) can be seen in this context as the economic and scientific infrastructure of this common purpose.

The Cartagena principles of decision making provide ample scope for moving forward: "consensus, while signifying substantial agreement, does not require or imply unanimity". At the same time, we should bear in mind that the Cartagena document notes that consensus "pre-supposes understanding of and respect for different points of view, including disagreement and implies mutual accommodation on the basis of which agreement can emerge by a sincere process of adjustment among member nations in the true spirit of non-alignment." On some kind of support for the Chair, we would favour a group of all the former Chairs which could be a kind of informal bureau of the movement. Of course, we are ready to consider any bilateral assistance which the incoming Chair may require. Our approach has to be not exclusionary but inclusive.

Above all, as a great thinker knew, we have to both analyze and interpret our situation and change it. It is only through such action that the Non-Aligned Movement can be revitalized and can thereby contribute in practice to a more just international order. One of the greatest intellectuals of Latin America, Carlos Fuentes, in a recent book has described the present globalized world succinctly as characterized by "deeply scarred national sovereignties, obliteration of international order" and the "disintegration of international law". This is sometimes perceived both in the United Nations and in international monetary and trade institutions. Hence the need for a genuine, broad based and truly democratic reform of the UN. Members of the Non-Aligned Movement therefore have to be vigilant and act with speed, solidarity and strength to ensure that getting rid of duplication and redundancy does not mean getting rid of complementarities or of those mandates that are crucial for the political concerns and developmental needs of our Member States; that getting rid of inefficiency in management does not mean prolonging and reinforcing unilateralism; that better decision making does not mean more disempowerment; that GA revitalization does not mean leaving UN Security Council encroachment unchallenged and untouched; that the role of the General Assembly in the selection of the next Secretary General must be respected; that UN Security Council reform does not remain in the realm of words but actually changes the correlation of forces and transforms the working methods of the Security Council.

In the case of globalization, the main challenge before the Movement is to ensure that globalization is a force for modernization, technological

progress, economic growth and poverty reduction and not a contributor to speculation, unemployment, poverty and generally the erosion of social capital. Therefore, our member countries have to recover and safeguard policy space. For this, the reform of Bretton Woods Institutions and the WTO are crucial. This is a political task requiring the solidarity in action of the Non-Aligned Movement. To begin with, in the United Nations, it is necessary to ensure that these concerns find unambiguous expression in the Resolution on Development. There is no factual basis for the claims of those who say that we should leave trade to the expertise of the WTO negotiations and financial and monetary matters to the expertise of the Bretton Woods Institutions: the WTO is in a complete impasse; the IMF in its own reports say that its advice on the liberalization of capital markets was hasty and on the East Asian financial crisis somewhat mistaken; the World Bank in its recent report on Lessons of Economic Growth in 1990s similarly admits that advice was often unsound. Therefore, clearly the development resolution has to send a clear political message. This should be first step of the United Nations recovering its central place in the economic agenda which it had in the 1970s.

Terrorism is one of the greatest scourges of our times. Terrorism distorts and negates fundamental principles of international relations by violence and coercion. There is a need for terrorism to be accorded high priority on the international agenda and for the members of the Movement to be at the forefront of combating this menace. We should equip ourselves to better address this threat. The Movement should ensure that terrorism is not condoned or justified on any ground whatsoever: political, religious, ethnic or any other. It should be recognized that terrorism is a fundamental and gross violation of human rights, in particular the most fundamental right the right to life. We should also ensure that the global fight against terrorism is not restricted to a group or a region and that it is comprehensive and sustained. The fight must be directed not only against the terrorists, but also against those who sponsor, abet or support them. We cannot complain about the UN Security Council's legislative role unless we are able to move forward on a multilaterally negotiated Convention.

NAM was founded in 1961, but the seeds of the Movement were sown as far back in 1946 by Pandit Jawaharlal Nehru, the first Prime Minister of India, when he stated,

“We propose, as far as possible, to keep away from the power politics of groups, aligned against one another, which have led in

the past two world wars and which may again lead to disasters on an even vaster scale. We seek no domination over others and we claim no privileged position over other people. But we do claim equal and honourable treatment for our people wherever they may go, and we cannot accept any discrimination against them. We believe that peace and freedom are indivisible and the denial of freedom anywhere must endanger freedom elsewhere and lead to conflict and war”.

This message remains equally valid today. Thank you, Mr. Chairman.

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056. Press Release of the Ministry of External Affairs on the formation of Special Committee of Non Aligned Movement on Economic and Social Issues.

New Delhi, July 19, 2006.

1. A Special Committee to deliberate on how to bring the focus of the Non Aligned Movement (NAM) on economic and social issues relevant to the developing countries as well as South-South Cooperation has been set up. The Committee shall be headed by Dr. Arjun K. Sengupta, Chairman, National Commission for Enterprises in the Unorganized Sector & Member of Parliament, Rajya Sabha. The members of the Special Committee are: Shri C. R. Gharekhan, Former Permanent Representative to UN and Special Envoy on Middle East Peace Process; Dr. Devaki Jain, Former Member, South Commission; Dr. Rajiv Kumar, Director, International Council for Research in International Economic Relations (ICRIER); Dr. Nagesh Kumar, Director General, Research and Information System for Developing Countries (RIS); Shri S. N. Menon, Secretary, Ministry of Commerce and Industry; Prof. Abhijit Sen, Member, Planning Commission and Shri Parthasarathi Shome, Adviser to Finance Minister, Ministry of Finance. The Committee is likely to submit its report to the government before end August 2006.
2. As one of the founder members, India continues to be actively involved in NAM, which provides a valuable forum for developing countries to articulate their views on a wide range of issues in a collective manner, and to find ways and means to further strengthen their cooperation.
3. The NAM is the largest grouping of developing countries outside the United Nations. With rapid changes in the international environment, there has been a growing realization among the member countries of the NAM to revitalize the Movement, making it a more effective voice of the developing countries. In this context, it is important to strengthen economic cooperation within NAM and also to pursue interests of its member countries by agreeing on common positions in the global arena.

057. Special Media Briefing by Foreign Secretary on the Visit of Prime Minister Dr. Manmohan Singh to Brazil and Cube

New Delhi, September 8, 2006.

Please See Document No. 049

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058. Statement by Prime Minister Dr. Manmohan Singh at The XIVth Summit of The Non-Aligned Movement.

Havana, September 15, 2006.

Your Excellency Mr. Chairman, Excellencies, Ladies and Gentlemen,

I would like to congratulate Cuba on its assumption of the Chair of NAM. We wish President Fidel Castro a speedy recovery, good health and a long life.

We would also like to compliment Prime Minister Badawi for his skilful stewardship of our movement.

Mr. Chairman, our beloved Prime Minister, Jawaharlal Nehru, one of the architects of this Movement, said, "Non-alignment is freedom of action which is a part of independence." He wanted us to judge issues "in full freedom and without any pre-conceived partisan bias." This vision must continue to shape our perspectives in the years ahead.

Mr. Chairman, we live in an increasingly interdependent world. The challenge ahead is to promote a balanced and equitable management of this interdependence of nations. As globalization progresses, national and regional boundaries are becoming less and less relevant. Our problems are global, so must our solutions be.

The United Nations played a creative and a critical leadership role in shaping the international agenda in the past. It has to do so again. Reforming the UN and revitalizing the UN General Assembly is a pressing imperative. The developing world must find its due representation among the permanent members of the UN Security Council. We must join hands with other like minded countries to promote democratization of processes of global governance, ushering in a new global polity, based on the rule of law, reason and equity.

We, the members of the Non-Aligned Movement constitute more than half of the membership of the United Nations. Our collective strength is unmatched, and we must now unite behind a common and a fundamentally new vision of "inclusive globalization".

In economic affairs, the biblical saying "to him that hath shall be given" has wide applicability. Globalisation must be accompanied by a more balanced and equitable distribution of its benefits. Otherwise the global response to challenges will remain uneven and partial at best.

As non-aligned countries, we led the struggle against attempts to divide the world into ideologically irreconcilable blocs. We espoused peaceful co-existence and the higher cause of humanity beyond racial divisions. Today, we again confront the danger of the world being split along an artificially created cultural and religious divide.

The Non-Aligned Movement, encompassing as it does, every religion professed by mankind, every ethnic group and ideological persuasion, is uniquely placed today, once again, to play the role of a bridge of understanding. Our cooperative world view is in itself a rejection of the notion of a “clash of civilizations”. Rather, our message to the world should be that it is possible to work for a “confluence of civilizations”.

If NAM is to be relevant in today's circumstances, it cannot afford to equivocate on the subject of terrorism. A message must emanate from us that we are united in our desire to fight and eliminate the scourge of terrorism. We cannot allow the forces of intolerance and extremism to distract the world's attention from the vital concerns of our people – the problems of poverty, ignorance and disease.

Mr. Chairman, the emerging fault lines of the new ideological divide are nowhere more apparent today than in West Asia. We have just been witness to a tragic and pointless war in Lebanon. It has only sharpened the sense of alienation and resentment, brutalizing a country that had just begun to reclaim its heritage of inter-ethnic and inter-religious harmony after years of conflict.

I would recommend that we constitute a suitable high level group for West Asia. The group could undertake a sustained mission to promote understanding in the region and assist in the implementation of the agreed roadmap towards a comprehensive peace. The international community must address more fully its responsibility to resolve this issue and bring to an end once and for all the long years of suffering of the Palestinian people.

In 1988 Prime Minister Rajiv Gandhi had presented to the UN General Assembly a detailed and credible Action Plan for Nuclear Disarmament. I believe the time has come for NAM to once again assume an active and leading role in advocating nuclear disarmament. India has prepared a Working Paper on Nuclear Disarmament which will be circulated as a document at the UNGA Session this year. We would invite fellow members of NAM to join us in our efforts to achieve universal nuclear disarmament and a world free of all nuclear weapons.

Mr. Chairman, at the First World Summit on the Environment, Prime Minister Indira Gandhi declared, “there is no first, second or third world; we are all part of One World”. The Non-Aligned Movement should take the lead in articulating a “new paradigm of energy security”, that addresses the needs of all peoples and of our planet.

India proposes the establishment of a NAM Working Group on Energy Security to draw up a NAM Action Plan for Energy Security to address the energy challenges of the future. India would be prepared to coordinate such a group.

Mr. Chairman, African countries form the largest single grouping in NAM as well as in the U.N.G.A. The future of our planet is inextricably linked to the destiny of Africa. I believe this is an opportune time for us to take a major NAM initiative on Africa.

The NAM initiative would focus on human resource and agricultural development. It would involve setting up of a mechanism, in cooperation with the African Union, to pool our assets for investment in the future of Africa. We would be prepared to work together with other interested NAM countries on elaborating the NAM Initiative on Africa.

Mr. Chairman, if we wish to revitalize the Non-Aligned Movement the collective message of our Summit must be seen as being central to the success of global efforts to deal with urgent transnational issues – be it terrorism, pandemics, energy security or the environment. As a group we have rejected extremes. We must spread the message of Gandhiji, the apostle of peace. Our voice must then be one of moderation, harmony and reason. If such is the voice of more than half of the people of the world, it will prevail. And, it will guide the destiny of our planet.

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SHANGHAI COOPERATION ORGANIZATION

059. Statement by Leader of the Indian delegation Murli Deora to the meeting of the Council of Heads of State of the Shanghai Cooperation Organization (SCO).

Shanghai, June 15, 2006.

Your Excellency President Hu Jintao, Distinguished Heads of State of Members and Observers of the Shanghai Cooperation Organisation, Distinguished representatives of Observer countries and organisations, Mr Executive Secretary of SCO, Excellencies and Distinguished invitees.

I am honoured to be here to participate in this august gathering of world leaders. I convey the greetings of the people of India to all of you.

I also take this opportunity to felicitate SCO on this special and momentous occasion when the Shanghai Cooperation Organisation is celebrating the 5th anniversary of its establishment and the Shanghai process is commemorating its 10th anniversary.

We in India have observed with keen interest the growth in stature of the SCO during this relatively brief period. We are confident about SCO's future and see it as an organization which would stand for peace and stability in our region including countering terrorism, as well the needs of greater economic cooperation and cultural exchanges amongst our countries. Excellencies,

As an Observer, India is keen to associate itself fully with the activities of the Organization as we are of the view that we would mutually benefit and enrich ourselves by such association. We share the main SCO objectives which are to combat all forms of intolerance, extremism and fundamentalism in our region.

India as a victim of terrorism appreciates SCO's firm stand against terrorism and commits itself to working closely with all SCO countries in countering these threats and challenges to peace and stability.

The rapid economic progress in many of the SCO member and observer countries in the recent past has made the world take notice of the potential of Asia. At the same time, we have to recognize that there are disparities of growth and development in our region.

We believe that an important challenge before the SCO countries is to see how economic growth and development can be more widely spread in the region to bring greater prosperity for the people and usher in peace and stability in the region.

India has a unique developmental experience that we are happy to share with our friends. Many of SCO's objectives seeking greater economic exchanges could be substantively realized with the participation of all countries in the region. While most of us in the SCO share a common legacy of cultural, historical and ethnic contacts, all of us share a common destiny in this increasingly small and globalised world.

Thus there is great responsibility on all of us to collectively cooperate and help fulfil the aspirations of SCO member countries and observers which represent almost half the world's population and a significant part of its area.

Mr Chairman, For the last year or so, ever since our involvement with the SCO, we have consistently expressed our interest in working together for greater intra-SCO trade, development of banking and financial services including robust capital markets in our countries, involving ourselves in the SCO Business Council and SCO Development Fund and participation in SCO projects. We feel that transportation networks and transit facilities are a vital area for SCO's consideration as some SCO countries are landlocked. We have to work together to see that products from these countries reach world markets at a cost efficient basis.

Energy security is another area where cooperation is needed, as SCO member and observer countries are the major producers and consumers of energy in the world.

Last, but not the least, we are keen to promote people-to-people contacts and a greater cultural dialogue and interaction amongst our countries. We are happy that later today we would all get an opportunity to enjoy dance and musical manifestations of SCO countries including a classical portrayal of Indian culture. We have to work closely to ensure such initiatives are well appreciated by our peoples who would then realise the benefits of SCO cooperation.

Mr Chairman, We believe that the Shanghai Cooperation Organization is actively considering the ways and means of involving

Observer countries in its activities. We are confident that the final SCO document regarding participation of Observer states would provide them opportunities to make substantive contributions to the development and activities of the SCO.

Before concluding, I would like to express my gratitude and appreciation towards the city of Shanghai and the people and Government of People's Republic of China for hosting the Summit meeting and their kind hospitality. I would also like to reiterate that India looks forward to being a substantive and active SCO partner. Thank you.

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INDIA'S FOREIGN RELATIONS - 2006
SECTION - III
(ii) CIVIL NUCLEAR ENERGY DEBATE
APPENDICES

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APPENDIX - 1

White House Response to critics on India Civil Nuclear Cooperation.

Washington (D.C), March 8, 2006.

CRITICS: The U.S.-India civil nuclear cooperation deal will accelerate the nuclear arms race in South Asia.

COUNTERPOINT: This is an historic agreement that brings India into the nonproliferation mainstream and addresses its growing energy needs through increased use of nuclear energy in cooperation with the international community. The United States has no intention of aiding India's nuclear weapons program. India's plan to separate its civilian and military nuclear facilities and programs will allow other nations to cooperate with India's civilian facilities to expand energy production. Those facilities will be under International Atomic Energy Agency (IAEA) safeguards to prevent diversion of technology and materials to India's military program. Greater use of nuclear reactors to produce energy for the Indian people will not undermine regional security or stability.

CRITICS: Doesn't this initiative effectively recognize India as a nuclear weapons state?

COUNTERPOINT: No, the United States has not recognized India as a nuclear weapons state. The 1968 Nuclear Nonproliferation Treaty (NPT) defines a nuclear weapons state as "one which has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to January 1, 1967." (The United States, UK, France, Russia, and China exploded nuclear devices prior to that date.) India does not meet this definition, and we do not seek to amend the Treaty.

CRITICS: Only 14 of India's 22 nuclear power reactors will be safeguarded under its separation plan, and India's two developmental fast breeder reactors will remain unsafeguarded. With these facilities, India can produce enough nuclear weapons to significantly expand its current arsenal.

COUNTERPOINT: The understanding we have reached with India will significantly increase the number of Indian nuclear reactors under IAEA safeguards, as well as bring associated facilities under safeguards. At present, only four of India's nuclear power reactors are under safeguards.

Under its civil-military separation plan, India has agreed to place the majority of its existing nuclear power reactors and those under construction under safeguards and to place the other associated upstream and downstream facilities that support those reactors under safeguards. Furthermore, India has committed to place all future civilian power and fast breeder reactors under safeguards.

This agreement is good for American security because it will bring India's civilian nuclear program into the international nonproliferation mainstream. The agreement also is good for the American economy because it will help meet India's surging energy needs - and that will lessen India's growing demand for other energy supplies and help restrain energy prices for American consumers.

CRITICS: Doesn't this initiative create a double standard and won't it encourage rogue nations like North Korea and Iran to continue to pursue nuclear weapons programs?

COUNTERPOINT: It is not credible to compare the rogue regimes of North Korea and Iran to India. Unlike Iran or North Korea, India has been a peaceful and vibrant democracy with a strong nuclear nonproliferation record.

Under this initiative, India - which has never been a party to the NPT - has agreed to take a series of steps that will bring it into the international nonproliferation mainstream.

Iran and North Korea are very different cases. They signed and ratified the NPT and gave lip service to adhering to their international obligations. Through their covert actions, however, they broke the very nonproliferation commitments they claimed to follow. Additionally, both regimes have isolated themselves from the international community and are state sponsors of terrorism.

India, on the other hand, has agreed to take steps that will bring it into the nonproliferation mainstream, including:

- | Placing its civilian nuclear facilities under IAEA safeguards and monitoring;
- | Signing and implementing the Additional Protocol, which allows more extensive inspections by the IAEA;
- | Ensuring that its nuclear materials and technologies are secured and prevented from diversion, including its recent passage of a law to create a robust national export control system;

- | Refraining from transfers of enrichment and reprocessing technologies to states that do not already possess them and supporting efforts to limit their spread;
- | Working to conclude a Fissile Material Cutoff Treaty;
- | Continuing its moratorium on nuclear testing; and
- | Adhering to the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG) guidelines.

CRITICS: This initiative will weaken or unravel the global nonproliferation regime. Creating an exception for India will lead Pakistan and Israel, who are also outside the NPT regime, to insist on a similar deal or cause other nations to withdraw from the Treaty.

COUNTERPOINT: India has stood outside the global nonproliferation regime for the last 30 years. Through this initiative, India will enter the international nonproliferation mainstream, thereby strengthening the regime that continues to play a vital role in enhancing international security and stability.

All nations that are party to the NPT are permitted full access to nuclear technology for peaceful purposes but are prohibited from pursuing or possessing nuclear weapons (except for the five recognized nuclear weapons states). We do not expect nations to withdraw from the NPT. Any move to withdraw from the NPT would clearly signal a nation's intent to pursue nuclear weapons and would result in the loss of access to nuclear technology for peaceful purposes.

Pakistan and India are different countries with different needs and different histories. Our relationship with Pakistan, which has Major Non-NATO Ally status, follows a separate path that reflects our countries' strong commitment to maintaining close ties and cooperation, including in the War on Terror. However, Pakistan does not have the same nonproliferation record as India, nor the same energy needs. We do not intend to pursue a similar civil nuclear cooperation initiative with Pakistan.

The status of Israel is not comparable to that of India. Israel has not declared itself to be a nuclear power, nor articulated such extraordinary energy needs. As for other Middle Eastern countries, we expect all NPT parties to live up to their treaty obligations.

APPENDIX - 2

HENRY J. HYDE UNITED STATES - INDIA PEACEFUL ATOMIC ENERGY COOPERATION ACT OF 2006 _____, 2006.—

Ordered to be printed

Mr. Hyde, from the Committee of Conference, submitted the following Conference Report :

[To accompany H.R. 5682]

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5682), to exempt from certain requirements of the Atomic Energy Act of 1954 a proposed nuclear agreement for cooperation with India, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, **insert the following:**

And the Senate agree to the same.

TITLE I—UNITED STATES AND INDIA NUCLEAR COOPERATION

SEC. 101. SHORT TITLE.

This title may be cited as the “Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006”.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

- (1) preventing the proliferation of nuclear weapons, other weapons of mass destruction, the means to produce them, and the means to deliver them are critical objectives for United States foreign policy;
- (2) sustaining the Nuclear Non-Proliferation Treaty (NPT) and

- strengthening its implementation, particularly its verification and compliance, is the keystone of United States nonproliferation policy;
- (3) the NPT has been a significant success in preventing the acquisition of nuclear weapons capabilities and maintaining a stable international security situation;
 - (4) countries that have never become a party to the NPT and remain outside that treaty's legal regime pose a potential challenge to the achievement of the overall goals of global nonproliferation, because those countries have not undertaken the NPT obligation to prohibit the spread of nuclear weapons capabilities;
 - (5) it is in the interest of the United States to the fullest extent possible to ensure that those countries that are not States Party to the NPT are responsible in the disposition of any nuclear technology they develop;
 - (6) it is in the interest of the United States to enter into an agreement for nuclear cooperation arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) with a country that has never been a State Party to the NPT if—
 - (A) the country has demonstrated responsible behavior with respect to the nonproliferation of technology related to nuclear weapons and the means to deliver them;
 - (B) the country has a functioning and uninterrupted democratic system of government, has a foreign policy that is congruent to that of the United States, and is working with the United States on key foreign policy initiatives related to nonproliferation;
 - (C) such cooperation induces the country to promulgate and implement substantially improved protections against the proliferation of technology related to nuclear weapons and the means to deliver them, and to refrain from actions that would further the development of its nuclear weapons program; and
 - (D) such cooperation will induce the country to give greater political and material support to the achievement of United States global and regional nonproliferation objectives, especially with

respect to dissuading, isolating, and, if necessary, sanctioning and containing states that sponsor terrorism and terrorist groups that are seeking to acquire a nuclear weapons capability or other weapons of mass destruction capability and the means to deliver such weapons;

- (7) the United States should continue its policy of engagement, collaboration, and exchanges with and between India and Pakistan;
- (8) strong bilateral relations with India are in the national interest of the United States;
- (9) the United States and India share common democratic values and the potential for increasing and sustained economic engagement;
- (10) commerce in civil nuclear energy with India by the United States and other countries has the potential to benefit the people of all countries;
- (11) such commerce also represents a significant change in United States policy regarding commerce with countries that are not States Party to the NPT, which remains the foundation of the international nonproliferation regime;
- (12) any commerce in civil nuclear energy with India by the United States and other countries must be achieved in a manner that minimizes the risk of nuclear proliferation or regional arms races and maximizes India's adherence to international non-proliferation regimes, including, in particular, the guidelines of the Nuclear Suppliers Group (NSG); and
- (13) the United States should not seek to facilitate or encourage the continuation of nuclear exports to India by any other party if such exports are terminated under United States law.

SEC. 103. STATEMENTS OF POLICY

(a) **IN GENERAL.**—The following shall be the policies of the United States:

- (1) Oppose the development of a capability to produce nuclear weapons by any non-nuclear weapon state, within or outside of the NPT.
- (2) Encourage States Party to the NPT to interpret the right to “develop

research, production and use of nuclear energy for peaceful purposes”, as set forth in Article IV of the NPT, as being a right that applies only to the extent that it is consistent with the object and purpose of the NPT to prevent the spread of nuclear weapons and nuclear weapons capabilities, including by refraining from all nuclear cooperation with any State Party that the International Atomic Energy Agency (IAEA) determines is not in full compliance with its NPT obligations, including its safeguards obligations.

- (3) Act in a manner fully consistent with the Guidelines for Nuclear Transfers and the Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology developed by the NSG, and decisions related to the those guidelines, and the rules and practices regarding NSG decision-making.
- (4) Strengthen the NSG guidelines and decisions concerning consultation by members regarding violations of supplier and recipient understandings .by instituting the practice of a timely and coordinated response by NSG members to all such violations, including termination of nuclear transfers to an involved recipient, that discourages individual NSG members from continuing cooperation with such recipient until such time as a consensus regarding a coordinated response has been achieved.
- (5) Given the special sensitivity of equipment and technologies related to the enrichment of uranium, the reprocessing of spent nuclear fuel, and the production of heavy water, work with members of the NSG, individually and collectively, to further restrict the transfers of such equipment and technologies, including to India.
- (6) Seek to prevent the transfer to a country of nuclear equipment, materials, or technology from other participating governments in the NSG or from any other source if nuclear transfers to that country are suspended or terminated pursuant to this title, the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), or any other United States law.

(b) **WITH RESPECT TO SOUTH ASIA.**—The following shall be the policies of the United States with respect to South Asia:

- (1) Achieve, at the earliest possible date, a moratorium on the production of fissile material for nuclear explosive purposes by India, Pakistan, and the People’s Republic of China.

- (2) Achieve, at the earliest possible date, the conclusion and implementation of a treaty banning the production of fissile material for nuclear weapons to which both the United States and India become parties.
- (3) Secure India's—
 - (A) full participation in the Proliferation Security Initiative;
 - (B) formal commitment to the Statement of Interdiction Principles of such Initiative;
 - (C) public announcement of its decision to conform its export control laws, regulations, and policies with the Australia Group and with the Guidelines, Procedures, Criteria, and Control Lists of the Wassenaar Arrangement;
 - (D) demonstration of satisfactory progress toward implementing the decision described in subparagraph (C); and
 - (E) ratification of or accession to the Convention on Supplementary Compensation for Nuclear Damage, done at Vienna on September 12, 1997.
- (4) Secure India's full and active participation in United States efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel, and the means to deliver weapons of mass destruction.
- (5) Seek to halt the increase of nuclear weapon arsenals in South Asia and to promote their reduction and eventual elimination.
- (6) Ensure that spent fuel generated in India's civilian nuclear power reactors is not transferred to the United States except pursuant to the Congressional review procedures required under section 131 f. of the Atomic Energy Act of 1954 (42 U.S.C. 2160 (f)).
- (7) Pending implementation of the multilateral moratorium described in paragraph (1) or the treaty described in paragraph (2), encourage India not to increase its production of fissile material at unsafeguarded nuclear facilities.
- (8) Ensure that any safeguards agreement or Additional Protocol to

which India is a party with the IAEA can reliably safeguard any export or reexport to India of any nuclear materials and equipment.

- (9) Ensure that the text and implementation of any agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) meet the requirements set forth in subsections a.(1) and a.(3) through a.(9) of such section.
- (10) Any nuclear power reactor fuel reserve provided to the Government of India for use in safeguarded civilian nuclear facilities should be commensurate with reasonable reactor operating requirements.

SEC. 104. WAIVER AUTHORITY AND CONGRESSIONAL APPROVAL.

(a) **IN GENERAL.**—If the President makes the determination described in subsection (b), the President may—

- (1) exempt a proposed agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) from the requirement of subsection a.(2) of such section;
- (2) waive the application of section 128 of the Atomic Energy Act of 1954 (42 U.S.C. 2157) with respect to exports to India; and
- (3) waive with respect to India the application of—
 - (A) section 129 a.(1)(D) of the Atomic Energy Act of 1954 (42 U.S.C. 2158(a)(1)(D)); and
 - (B) section 129 of such Act (42 U.S.C. 2158) regarding any actions that occurred before July 18, 2005.

(b) **DETERMINATION BY THE PRESIDENT.**—The determination referred to in subsection (a) is a determination by the President that the following actions have occurred:

- (1) India has provided the United States and the IAEA with a credible plan to separate civil and military nuclear facilities, materials, and programs, and has filed a declaration regarding its civil facilities and materials with the IAEA.
- (2) India and the IAEA have concluded all legal steps required prior to signature by the parties of an agreement requiring the application of IAEA safeguards in perpetuity in accordance with IAEA standards,

principles, and practices (including IAEA Board of Governors Document GOV/1621 (1973)) to India's civil nuclear facilities, materials, and programs as declared in the plan described in paragraph (1), including materials used in or produced through the use of India's civil nuclear facilities.

- (3) India and the IAEA are making substantial progress toward concluding an Additional Protocol consistent with IAEA principles, practices, and policies that would apply to India's civil nuclear program.
- (4) India is working actively with the United States for the early conclusion of a multilateral treaty on the cessation of the production of fissile materials for use in nuclear weapons or other nuclear explosive devices.
- (5) India is working with and supporting United States and international efforts to prevent the spread of enrichment and reprocessing technology to any state that does not already possess full-scale, functioning enrichment or reprocessing plants.
- (6) India is taking the necessary steps to secure nuclear and other sensitive materials and technology, including through—
 - (A) the enactment and effective enforcement of comprehensive export control legislation and regulations;
 - (B) harmonization of its export control laws, regulations, policies, and practices with the guidelines and practices of the Missile Technology Control Regime (MTCR) and the NSG; and
 - (C) adherence to the MTCR and the NSG in accordance with the procedures of those regimes for unilateral adherence.
- (7) The NSG has decided by consensus to permit supply to India of nuclear items covered by the guidelines of the NSG.

(c) **SUBMISSION TO CONGRESS.—**

- (1) **IN GENERAL.—**The President shall submit to the appropriate congressional committees the determination made pursuant to subsection (b), together with a report detailing the basis for the determination.

- (2) **INFORMATION TO BE INCLUDED.**—To the fullest extent available to the United States, the report referred to in paragraph (1) shall include the following information:
- (A) A summary of the plan provided by India to the United States and the IAEA to separate India's civil and military nuclear facilities, materials, and programs, and the declaration made by India to the IAEA identifying India's civil facilities to be placed under IAEA safeguards, including an analysis of the credibility of such plan and declaration, together with copies of the plan and declaration.
 - (B) A summary of the agreement that has been entered into between India and the IAEA requiring the application of safeguards in accordance with IAEA practices to India's civil nuclear facilities as declared in the plan described in subparagraph (A), together with a copy of the agreement, and a description of the progress toward its full implementation.
 - (C) A summary of the progress made toward conclusion and implementation of an Additional Protocol between India and the IAEA, including a description of the scope of such Additional Protocol.
 - (D) A description of the steps that India is taking to work with the United States for the conclusion of a multilateral treaty banning the production of fissile material for nuclear weapons, including a description of the steps that the United States has taken and will take to encourage India to identify and declare a date by which India would be willing to stop production of fissile material for nuclear weapons unilaterally or pursuant to a multilateral moratorium or treaty.
 - (E) A description of the steps India is taking to prevent the spread of nuclear-related technology, including enrichment and reprocessing technology or materials that can be used to acquire a nuclear weapons capability, as well as the support that India is providing to the United States to further United States objectives to restrict the spread of such technology.
 - (F) A description of the steps that India is taking to secure materials and technology applicable for the development,

acquisition, or manufacture of weapons of mass destruction and the means to deliver such weapons through the application of comprehensive export control legislation and regulations, and through harmonization with and adherence to MTCR, NSG, Australia Group, and Wassenaar Arrangement guidelines, compliance with United Nations Security Council Resolution 1540, and participation in the Proliferation Security Initiative.

- (G) A description and assessment of the specific measures that India has taken to fully and actively participate in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel and the means to deliver weapons of mass destruction.
- (H) A description of the decision of the NSG relating to nuclear cooperation with India, including whether nuclear cooperation by the United States under an agreement for cooperation arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) is consistent with the decision, practices, and policies of the NSG.
- (I) A description of the scope of peaceful cooperation envisioned by the United States and India that will be implemented under the agreement for nuclear cooperation, include whether such cooperation will include the provision of enrichment and reprocessing technology.
- (J) A description of the steps taken to ensure that proposed United States civil nuclear cooperation with India will not in any way assist India's nuclear weapons program.

(d) **RESTRICTIONS ON NUCLEAR TRANSFERS.—**

- (1) **IN GENERAL.**—Pursuant to the obligations of the United States under Article I of the NPT, nothing in this title constitutes authority to carry out any civil nuclear cooperation between the United States and a country that is not a nuclear-weapon State Party to the NPT that would in any way assist, encourage, or induce that country to manufacture or otherwise acquire nuclear weapons or nuclear

explosive devices.

(2) **NSG TRANSFER GUIDELINES.**—Notwithstanding the entry into force of an agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) and pursuant to this title, no item subject to such agreement or subject to the transfer guidelines of the NSG, or to NSG decisions related thereto, may be transferred to India if such transfer would be inconsistent with the transfer guidelines of the NSG in effect on the date of the transfer.

(3) **TERMINATION OF NUCLEAR TRANSFERS TO INDIA.**—

(A) **IN GENERAL.**—Notwithstanding the entry into force of an agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) and pursuant to this title, and except as provided under subparagraph (B), exports of nuclear and nuclear-related material, equipment, or technology to India shall be terminated if there is any materially significant transfer by an Indian person of—

- (i) nuclear or nuclear-related material, equipment, or technology that is not consistent with NSG guidelines or decisions, or
- (ii) ballistic missiles or missile-related equipment or technology that is not consistent with MTCR guidelines, unless the President determines that cessation of such exports would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security.

(B) **EXCEPTION.**—The President may choose not to terminate exports of nuclear and nuclear-related material, equipment, and technology to India under subparagraph (A) if—

- (i) the transfer covered under such subparagraph was made without the knowledge of the Government of India;
- (ii) at the time of the transfer, either the Government of India did not own, control, or direct the Indian person that made the transfer or the Indian person that made the transfer is a natural person who acted without the knowledge of any entity described in subparagraph (B) or (C) of section 110(5); and

- (iii) the President certifies to the appropriate congressional committees that the Government of India has taken or is taking appropriate judicial or other enforcement actions against the Indian person with respect to such transfer.

(4) **EXPORTS, REEXPORTS, TRANSFERS, AND RETRANSFERS TO INDIA RELATED TO ENRICHMENT, REPROCESSING, AND HEAVY WATER PRODUCTION.—**

(A) **IN GENERAL.—**

- (i) **NUCLEAR REGULATORY COMMISSION.—** The Nuclear Regulatory Commission may only issue licenses for the export or reexport to India of any equipment, components, or materials related to the enrichment of uranium, the reprocessing of spent nuclear fuel, or the production of heavy water if the requirements of sub-paragraph (B) are met.
- (ii) **SECRETARY OF ENERGY.—**The Secretary of Energy may only issue authorizations for the transfer or retransfer to India of any equipment, materials, or technology related to the enrichment of uranium, the reprocessing of spent nuclear fuel, or the production of heavy water (including under the terms of a subsequent arrangement under section 131 of the Atomic Energy Act of 1954 (42 U.S.C. 2160)) if the requirements of subparagraph (B) are met.

(B) **REQUIREMENTS FOR APPROVALS.—** Exports, reexports, transfers, and retransfers referred to in subparagraph (A) may only be approved if—

- (i) the end user—
 - (I) is a multinational facility participating in an IAEA-approved program to provide alternatives to national fuel cycle capabilities; or
 - (II) is a facility participating in, and the export, reexport, transfer, or retransfer is associated with, a bilateral or multinational program to develop a proliferation-resistant fuel cycle;
- (ii) appropriate measures are in place at any facility referred to in clause (i) to ensure that no sensitive nuclear technology, as

defined in section 4(5) of the Nuclear Nonproliferation Act of 1978 (22 U.S.C. 3203(5)), will be diverted to any person, site, facility, location, or program not under IAEA safeguards; and

- (iii) the President determines that the export, reexport, transfer, or retransfer will not assist in the manufacture or acquisition of nuclear explosive devices or the production of fissile material for military purposes.

(5) NUCLEAR EXPORT ACCOUNTABILITY PROGRAM.—

(A) IN GENERAL.—The President shall ensure that all appropriate measures are taken to maintain accountability with respect to nuclear materials, equipment, and technology sold, leased, exported, or reexported to India so as to ensure—

- (i) full implementation of the protections required under section 123 a.(1) of the Atomic Energy Act of 1954 (42 U.S.C. 2153 (a)(1)); and
- (ii) United States compliance with Article I of the NPT.

(B) MEASURES.—The measures taken pursuant to subparagraph (A) shall include the following:

- (i) Obtaining and implementing assurances and conditions pursuant to the export licensing authorities of the Nuclear Regulatory Commission and the Department of Commerce and the authorizing authorities of the Department of Energy, including, as appropriate, conditions regarding end-use monitoring.
- (ii) A detailed system of reporting and accounting for technology transfers, including any retransfers in India, authorized by the Department of Energy pursuant to section 57 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2077(b)). Such system shall be capable of providing assurances that—
 - (I) the identified recipients of the nuclear technology are authorized to receive the nuclear technology;
 - (II) the nuclear technology identified for transfer will be used only for peaceful safeguarded nuclear activities and will not be used for any military or nuclear explosive purpose; and
 - (III) the nuclear technology identified for transfer will not be

retransferred without the prior consent of the United States, and facilities, equipment, or materials derived through the use of transferred technology will not be transferred without the prior consent of the United States.

- (iii) In the event the IAEA is unable to implement safeguards as required by an agreement for cooperation arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153), appropriate assurance that arrangements will be put in place expeditiously that are consistent with the requirements of section 123 a.(1) of such Act (42 U.S.C. 2153(a)(1)) regarding the maintenance of safeguards as set forth in the agreement regardless of whether the agreement is terminated or suspended for any reason.

(C) **IMPLEMENTATION.**—The measures described in subparagraph (B) shall be implemented to provide reasonable assurances that the recipient is complying with the relevant requirements, terms, and conditions of any licenses issued by the United States regarding such exports, including those relating to the use, retransfer, safe handling, secure transit, and storage of such exports.

(e) **JOINT RESOLUTION OF APPROVAL REQUIREMENT.**—

Section 123 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)) is amended in the second proviso by inserting after “that subsection” the following: “, or an agreement exempted pursuant to section 104(a)(1) of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006.”.

(f) **SUNSET.**—The authority provided under sub- section (a)(1) to exempt an agreement shall terminate upon the enactment of a joint resolution under section 123 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)) approving such an agreement.

(g) **REPORTING TO CONGRESS.**—

(1) **INFORMATION ON NUCLEAR ACTIVITIES OF INDIA.**— The President shall keep the appropriate congressional committees fully and currently informed of the facts and implications of any significant nuclear activities of India, including—

- (A) any material noncompliance on the part of the Government of India with—

- (i) the nonproliferation commitments undertaken in the Joint Statement of July 18, 2005, between the President of the United States and the Prime Minister of India;
 - (ii) the separation plan presented in the national parliament of India on March 7, 2006, and in greater detail on May 11, 2006;
 - (iii) a safeguards agreement between the Government of India and the IAEA;
 - (iv) (iv) an Additional Protocol between the Government of India and the IAEA;
 - (v) an agreement for cooperation between the Government of India and the United States Government arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) or any subsequent arrangement under section 131 of such Act (42 U.S.C. 2160);
 - (vi) the terms and conditions of any approved licenses regarding the export or reexport of nuclear material or dual-use material, equipment, or technology; and
 - (vii) United States laws and regulations regarding such licenses;
- (B) the construction of a nuclear facility in India after the date of the enactment of this title;
- (C) significant changes in the production by India of nuclear weapons or in the types or amounts of fissile material produced; and
- (D) changes in the purpose or operational status of any unsafeguarded nuclear fuel cycle activities in India.

(2) **IMPLEMENTATION AND COMPLIANCE REPORT.**—Not later than 180 days after the date on which an agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) enters into force, and annually thereafter, the President shall submit to the appropriate congressional committees a report including—

- (A) a description of any additional nuclear facilities and nuclear materials that the Government of India has placed or intends to place under IAEA safeguards;

- (B) a comprehensive listing of—
- (i) all licenses that have been approved by the Nuclear Regulatory Commission and the Secretary of Energy for exports and reexports to India under parts 110 and 810 of title 10, Code of Federal Regulations;
 - (ii) any licenses approved by the Department of Commerce for the export or reexport to India of commodities, related technology, and software which are controlled for nuclear nonproliferation reasons on the Nuclear Referral List of the Commerce Control List maintained under part 774 of title 15, Code of Federal Regulation, or any successor regulation;
 - (iii) any other United States authorizations for the export or reexport to India of nuclear materials and equipment; and
 - (iv) with respect to each such license or other form of authorization described in clauses (i), (ii), and (iii)—
 - (I) the number or other identifying information of each license or authorization;
 - (II) the name or names of the authorized end user or end users;
 - (III) the name of the site, facility, or location in India to which the export or reexport was made;
 - (IV) the terms and conditions included on such licenses and authorizations;
 - (V) any post-shipment verification procedures that will be applied to such exports or reexports; and
 - (VI) the term of validity of each such license or authorization;
- (C) a description of any significant nuclear commerce between India and other countries, including any such trade that—
- (i) is not consistent with applicable guidelines or decisions of the NSG; or
 - (ii) would not meet the standards applied to exports or reexports of such material, equipment, or technology of United States origin;

- (D) either—
- (i) an assessment that India is in full compliance with the commitments and obligations contained in the agreements and other documents referenced in clauses (i) through (vi) of paragraph (1)(A); or
 - (ii) an identification and analysis of all compliance issues arising with regard to the adherence by India to its commitments and obligations, including—
 - (I) the measures the United States Government has taken to remedy or otherwise respond to such compliance issues;
 - (II) the responses of the Government of India to such measures;
 - (III) the measures the United States Government plans to take to this end in the coming year; and
 - (IV) an assessment of the implications of any continued noncompliance, including whether nuclear commerce with India remains in the national security interest of the United States;
- (E) (i) an assessment of whether India is fully and actively participating in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability (including the capability to enrich uranium or reprocess nuclear fuel), and the means to deliver weapons of mass destruction, including a description of the specific measures that India has taken in this regard; and
- (ii) if India is not assessed to be fully and actively participating in such efforts, a description of—
 - (I) the measures the United States Government has taken to secure India's full and active participation in such efforts;
 - (II) the responses of the Government of India to such measures; and
 - (III) the measures the United States Government plans to take in the coming year to secure India's full and active participation;

- (F) an analysis of whether United States civil nuclear cooperation with India is in any way assisting India's nuclear weapons program, including through—
- (i) the use of any United States equipment, technology, or nuclear material by India in an unsafeguarded nuclear facility or nuclear-weapons related complex;
 - (ii) the replication and subsequent use of any United States technology by India in an unsafeguarded nuclear facility or unsafeguarded nuclear weapons-related complex, or for any activity related to the research, development, testing, or manufacture of nuclear explosive devices; and
 - (iii) the provision of nuclear fuel in such a manner as to facilitate the increased production by India of highly enriched uranium or plutonium in unsafeguarded nuclear facilities;
- (G) a detailed description of—
- (i) United States efforts to promote national or regional progress by India and Pakistan in disclosing, securing, limiting, and reducing their fissile material stock-piles, including stockpiles for military purposes, pending creation of a worldwide fissile material cut-off regime, including the institution of a Fissile Material Cut-off Treaty;
 - (ii) the responses of India and Pakistan to such efforts; and
 - (iii) assistance that the United States is providing, or would be able to provide, to India and Pakistan to promote the objectives in clause (i), consistent with its obligations under international law and existing agreements;
- (H) an estimate of—
- (i) the amount of uranium mined and milled in India during the previous year;
 - (ii) the amount of such uranium that has likely been used or allocated for the production of nuclear explosive devices; and
 - (iii) the rate of production in India of—

- (I) fissile material for nuclear explosive devices; and
- (II) nuclear explosive devices;
- (I) an estimate of the amount of electricity India's nuclear reactors produced for civil purposes during the previous year and the proportion of such production that can be attributed to India's declared civil reactors;
- (J) an analysis as to whether imported uranium has affected the rate of production in India of nuclear explosive devices;
- (K) a detailed description of efforts and progress made toward the achievement of India's—
 - (i) full participation in the Proliferation Security Initiative;
 - (ii) formal commitment to the Statement of Interdiction Principles of such Initiative;
 - (iii) public announcement of its decision to conform its export control laws, regulations, and policies with the Australia Group and with the Guidelines, Procedures, Criteria, and Controls List of the Wassenaar Arrangement; and
 - (iv) effective implementation of the decision described in clause (iii); and
- (L) the disposal during the previous year of spent nuclear fuel from India's civilian nuclear program, and any plans or activities relating to future disposal of such spent nuclear fuel.

(3) SUBMITTAL WITH OTHER ANNUAL REPORTS.—

(A) REPORT ON PROLIFERATION PREVENTION.—

Each annual report submitted under paragraph (2) after the initial report may be submitted together with the annual report on proliferation prevention required under section 601(a) of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3281(a)).

(B) REPORT ON PROGRESS TOWARD REGIONAL NONPROLIFERATION.—

The information required to be submitted under paragraph (2)(F)

after the initial report may be submitted together with the annual report on progress to-ward regional nonproliferation required under section 620F(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2376(c)).

(4) **FORM.**—Each report submitted under this subsection shall be submitted in unclassified form, but may contain a classified annex.

SEC. 105. UNITED STATES COMPLIANCE WITH ITS NUCLEAR NONPROLIFERATION TREATY OBLIGATIONS.

Nothing in this title constitutes authority for any action in violation of an obligation of the United States under the NPT.

SEC. 106. INOPERABILITY OF DETERMINATION AND WAIVERS.

A determination and any waiver under section 104 shall cease to be effective if the President determines that India has detonated a nuclear explosive device after the date of the enactment of this title.

SEC. 107. MTCR ADHERENT STATUS.

Congress finds that India is not an MTCR adherent for the purposes of section 73 of the Arms Export Control Act (22 U.S.C. 2797b).

SEC. 108. TECHNICAL AMENDMENT.

Section 1112(c)(4) of the Arms Control and Nonproliferation Act of 1999 (title XI of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted into law by section 1000(a)(7) of Public Law 106–113 and contained in appendix G of that Act; 113 Stat. 1501A– 486)) is amended—

(1) in subparagraph (B), by striking “and” after the semicolon at the end;

(2) by redesignating subparagraph (C) as sub- paragraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph: “(C) so much of the reports required under section 104 of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 as relates to verification or compliance matters; and”.

SEC. 109. UNITED STATES-INDIA SCIENTIFIC COOPERATIVE NUCLEAR NONPROLIFERATION PROGRAM.

(a) ESTABLISHMENT.— The Secretary of Energy, acting through the Administrator of the National Nuclear Security Administration, is authorized to establish a cooperative nuclear nonproliferation program to pursue jointly with scientists from the United States and India a program to further common nuclear nonproliferation goals, including scientific research and development efforts, with an emphasis on nuclear safeguards (in this section referred to as “the program”).

(b) CONSULTATION.— The program shall be carried out in consultation with the Secretary of State and the Secretary of Defense.

(c) NATIONAL ACADEMIES RECOMMENDATIONS.—

(1) IN GENERAL.— The Secretary of Energy shall enter into an agreement with the National Academies to develop recommendations for the implementation of the program.

(2) RECOMMENDATIONS.— The agreement entered into under paragraph (1) shall provide for the preparation by qualified individuals with relevant expertise and knowledge and the communication to the Secretary of Energy each fiscal year of—

(A) recommendations for research and related programs designed to overcome existing technological barriers to nuclear nonproliferation; and

(B) an assessment of whether activities and programs funded under this section are achieving the goals of the activities and programs.

(3) PUBLIC AVAILABILITY.— The recommendations and assessments prepared under this sub-section shall be made publicly available.

(d) CONSISTENCY WITH NUCLEAR NON-PROLIFERATION TREATY.— All United States activities related to the program shall be consistent with United States obligations under the Nuclear Non-Proliferation Treaty.

(e) AUTHORIZATION OF APPROPRIATIONS.— There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2007 through 2011.

SEC. 110. DEFINITIONS

In this title:

- (1) The term “**Additional Protocol**” means a protocol additional to a safeguards agreement with the IAEA, as negotiated between a country and the IAEA based on a Model Additional Protocol as set forth in IAEA information circular (INFCIRC) 540.
- (2) The term “**appropriate congressional committees**” means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.
- (3) The term “**dual-use material, equipment, or technology**” means material, equipment, or technology that may be used in nuclear or non-nuclear applications.
- (4) The term “**IAEA safeguards**” has the meaning given the term in section 830(3) of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C. 6305(3)).
- (5) The term “**Indian person**” means—
 - (A) a natural person that is a citizen of India or is subject to the jurisdiction of the Government of India;
 - (B) a corporation, business association, partnership, society, trust, or any other non-governmental entity, organization, or group, that is organized under the laws of India or has its principal place of business in India; and
 - (C) any Indian governmental entity, including any governmental entity operating as a business enterprise.
- (6) The terms “**Missile Technology Control Regime**”, “**MTCR**”, and “**MTCR adherent**” have the meanings given the terms in section 74 of the Arms Export Control Act (22 U.S.C. 2797c).
- (7) The term “**nuclear materials and equipment**” means source material, special nuclear material, production and utilization facilities and any components thereof, and any other items or materials that are determined to have significance for nuclear explosive purposes pursuant to subsection 109 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2139(b)).
- (8) The terms “**Nuclear Non-Proliferation Treaty**” and “**NPT**” mean

the Treaty on the Non- Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (21 UST 483).

- (9) The terms “**Nuclear Suppliers Group**” and “**NSG**” refer to a group, which met initially in 1975 and has met at least annually since 1992, of Participating Governments that have promulgated and agreed to adhere to Guidelines for Nuclear Transfers (currently IAEA INFCIRC/254/Rev.8/Part 1) and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software, and Related Technology (currently IAEA INFCIRC/254/ Rev.7/Part 2).
- (10) The terms “**nuclear weapon**” and “**nuclear explosive device**” mean any device designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one point of trinitro- toluene (TNT).
- (11) The term “**process**” includes the term “reprocess”.
- (12) The terms “**reprocessing**” and “reprocess” refer to the separation of irradiated nuclear materials and fission products from spent nuclear fuel.
- (13) The term “**sensitive nuclear technology**” means any information, including information incorporated in a production or utilization facility or important component part thereof, that is not available to the public and which is important to the design, construction, fabrication, operation, or maintenance of a uranium enrichment or nuclear fuel reprocessing facility or a facility for the production of heavy water.
- (14) The term “**source material**” has the meaning given the term in section 11 z. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(z)).
- (15) The term “**special nuclear material**” has the meaning given the term in section 11 aa. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(aa)).
- (16) The term “**un-safeguarded nuclear fuel- cycle activity**” means research on, or development, design, manufacture, construction, operation, or maintenance of—
 - (A) any existing or future reactor, critical facility, conversion plant, fabrication plant, reprocessing plant, plant for the separation of

isotopes of source or special fissionable material, or separate storage installation with respect to which there is no obligation to accept IAEA safeguards at the relevant reactor, facility, plant, or installation that contains source or special fissionable material; or

- (B) any existing or future heavy water production plant with respect to which there is no obligation to accept IAEA safeguards on any nuclear material produced by or used in connection with any heavy water produced therefrom.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5682) to provide procedures and conditions by which an agreement for peaceful nuclear cooperation between the United States of America and India may be considered by the Congress, and to implement the obligations of the United States under the Additional Protocol to its Safeguards Agreement with the International Atomic Energy Agency (IAEA), and for other purposes, submit the following joint statement in the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

BACKGROUND AND NEED FOR THE LEGISLATION

With the fading of the Cold War's global divisions and the rise of new challenges such as globalization and trans-national terrorism, there is increasing recognition in both the United States and in India that significant benefits may be obtained from closer cooperation across a broad spectrum of activities and policies. These range from shared strategic interests, such as enhanced stability and security in South Asia and the international system as a whole, to more specific priorities, including greater effectiveness in combating the AIDS epidemic, combating terrorism, and preventing the proliferation of weapons of mass destruction, among others.

To that end, on July 18, 2005, President Bush and Indian Prime Minister Manmohan Singh issued a joint statement announcing a 'global partnership' between the two countries. The Joint Statement covered a range of issues and common interests, including the re-establishment of civil nuclear commerce between the United States and India.

In the Joint Statement, India committed to placing more of its civil nuclear facilities under International Atomic Energy Agency (IAEA) safeguards in perpetuity, signing and adhering to an Additional Protocol with respect to civilian nuclear facilities, working with the United States for the conclusion of a multilateral Fissile Material Cutoff Treaty, refraining from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread, ensuring that the necessary steps have been taken to secure nuclear materials and technology through comprehensive export control legislation and through harmonization and adherence to Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG) guidelines, and continuing its moratorium on further nuclear testing. For the United States, President Bush committed that he would "work to achieve full civil nuclear energy cooperation with India as it realizes its goals of promoting nuclear power and achieving energy security" and to "seek agreement from Congress to adjust U.S. laws and policies" to permit that cooperation. President Bush also promised to "work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, including but not limited to expeditious consideration of fuel supplies for safeguarded nuclear reactors at Tarapur."

The Administration's proposed legislation envisioned Congress granting the President the authority to waive certain provisions of the Atomic Energy Act of 1954 (AEA) that contain restrictions on cooperation that the Administration deemed to be impediments to conducting civil nuclear cooperation with India. Section 123 a.(2) of the AEA requires that a non-nuclear weapon state have IAEA safeguards on all nuclear material in all peaceful nuclear activities in that state, under its jurisdiction, or carried out under its control anywhere (commonly referred to as "full-scope safeguards") as a condition of continued United States nuclear supply and approval for new nuclear cooperation agreements, a requirement that India does not meet and, as a state with nuclear weapons, would be unlikely to meet for the foreseeable future. Section 128 requires a non-nuclear weapon state (under the NPT, which recognizes only five "Nuclear Weapon States" – Russia, France, China, the United Kingdom, and the United States) to

have full-scope safeguards as a prerequisite for receiving U.S. civil nuclear exports. Finally, Section 129 requires the termination of nuclear exports if a non-nuclear weapon state has, among other things, tested nuclear weapons after 1978, which India did in 1998. There are waivers available to the President for these provisions in existing law. But the standard for such waivers is very high.

In addition, international civil nuclear commerce is restricted pursuant to the Guidelines for Nuclear Transfers of the Nuclear Suppliers Group. NSG Guidelines permit such trade with countries only when the receiving State has brought into force an agreement with the IAEA requiring the application of safeguards on all source and special fissionable material in its current and future peaceful activities.

The Administration's proposed legislation would have given the President the authority to permanently waive these provisions for India, subject to the President's determination that India had achieved certain benchmarks, such as engaging in negotiations with the IAEA on a safeguards agreement and that the NSG has agreed to provide an exemption for India to allow its participating states to export civil nuclear materials, equipment, and technology to India.

Under existing law, a nuclear cooperation agreement with a country that does have full-scope safeguards and that satisfies other criteria under 123 a. of the AEA would come into force 90 days after its submission for congressional review unless a resolution of disapproval were passed in both Houses. In practice, it is very difficult to secure passage of such resolutions because a veto by the President of the joint resolution would require a two-thirds vote in both Houses to override.

By contrast, nuclear cooperation agreements with countries, such as India, that do not satisfy all the conditions of 123a, such as full-scope safeguards, can come into effect only if both Houses of Congress pass a joint resolution of approval within 90 days. If either chamber does not approve the resolution, the agreement does not enter into force.

The Administration's legislative proposal sought to avoid this latter procedure by providing for a process of congressional consideration of a 123 agreement with India such as that reserved for countries that do have full-scope safeguards. In that event, a nuclear cooperation agreement with India would come into force automatically unless both Houses of Congress passed a joint resolution of disapproval. In effect, the Administration's

proposal would have given it excessive latitude in negotiating a nuclear cooperation agreement with India, leaving Congress with little ability to influence the terms of that agreement, regardless of any concerns it might have.

Both the House International Relations Committee and the Senate Foreign Relations Committee rejected this approach, believing that the Administration's proposal did not provide for appropriate congressional oversight over what was, by any measure, an unprecedented nuclear cooperative relationship with India. Both committees were troubled by the lack of consultation by the Administration with Congress before the July 18, 2005 Joint Statement and the March 2006 U.S.-India Declaration (in which the terms by which India would separate its civil and military nuclear facilities and further commitments by the United States were announced).

Consequently, both committees introduced legislation that, while informed by the Administration's proposal, reverts to existing procedures laid out in the AEA for approval of 123 agreements that do not meet the criteria of section 123 a. The Conference agreement grants the President the ability to waive the aforementioned sections of the AEA for a future U.S.-India agreement for civil nuclear cooperation.

However, any such agreement cannot enter into force until it has been submitted to the Congress, along with a completed IAEA-India safeguards agreement and other documents and Presidential determinations such as a Nuclear Proliferation Assessment (required by the AEA and by this legislation, as detailed the section-by-section review of this report), and approved by both Houses according to the existing procedures of Section 130(i) of the AEA. Furthermore, the Administration's ability to waive existing provisions of section 129 of the AEA, which mandates the termination of U.S. civil nuclear exports to a country if that country tests a nuclear explosive device, terminates or abrogates IAEA safeguards, materially violates an IAEA safeguards agreement, or engages in other activities related to nuclear proliferation, is limited to any such activities India engaged in prior to July 18, 2005. Any such future activity by India would invoke Section 129, subject to the waiver provisions already available to the President in existing law. Thus, the Conference agreement provides that for other conduct that, under section 129, would result in termination of cooperation, that section would continue to apply. If India were to terminate or abrogate IAEA safeguards (129(1)(B)), materially violate IAEA safeguards (129(1)(C)), violate an agreement for cooperation

with the United States (129(2)(A)), encourage a non-nuclear weapon state to engage in proliferation activities involving source and special nuclear material (129(2)(B)), or engage in unauthorized proliferation of reprocessing technology (129(2)(C)), the Conference agreement would terminate cooperation. The Administration's bill would have made section 129 inapplicable to such future actions on the part of India.

As further clarified in the section-by-section analysis included in this report, the conferees believe that there should be no ambiguity regarding the legal and policy consequences of any future Indian test of a nuclear explosive device. In that event, the President must terminate all export and reexport of U.S.-origin nuclear materials, nuclear equipment, and sensitive nuclear technology to India. The conferees expect the President to make full and immediate use of U.S. rights to demand the return of all nuclear-related items, materials, and sensitive nuclear technology that have been exported or reexported to India if India were to test or detonate, or otherwise cause the test or detonation of, a nuclear explosive device for any reason, including such instances in which India describes its actions as being "for peaceful purposes." This legal condition is further strengthened in the Conference agreement beyond section 129 of the AEA by a provision that the waiver authority in this legislation terminates with any Indian test. The conferees believe that termination would include the suspension and revocation of any current or pending export or reexport licenses, and that the return of U.S.-origin items and materials should extend to any special nuclear material produced by India through the use of any nuclear materials, equipment, or sensitive nuclear technology exported or reexported to India by the United States.

The prohibition concerning a recipient country not engaging in activities involving source or special nuclear material under Section 129 are permanently waived for India, as India will undoubtedly continue to produce fissile material, until such time after it is able to fulfill its commitment in the July 18, 2005, Joint Statement to work with the United States toward conclusion of a future Fissile Material Cut-off Treaty.

H.R. 5682 reflects the widely held view in both the House and the Senate that peaceful nuclear cooperation with India can serve multiple U.S. foreign policy and national security objectives, but that this must be secured in a manner that minimizes potential risks to the global nonproliferation regime. Among the most important considerations are ensuring that NSG guidelines and consensus decision-making are upheld

and that a U.S. nuclear cooperation agreement and subsequent U.S. nuclear exports are consistent with the decisions, policies, and guidelines of the NSG. The conferees note that the converse is equally important, namely that the United States must ensure that any decision that the NSG makes regarding granting an exemption for nuclear commerce does not disadvantage U.S. industry by setting less strict conditions for countries trading with India than those embodied in the conditions and requirements of this Act. Since the NSG operates by consensus, the United States possesses the necessary leverage to ensure a favorable outcome, and the conference agreement reflects this view.

The bill requires, as a condition for the President to exercise his waiver authority, that the NSG agree by consensus to an exception to its guidelines specifically for India and that no U.S. exports may be transferred to India that do not comport with NSG guidelines and decisions. Equally important is the need to ensure that U.S. cooperation does not assist the Indian nuclear weapons program, directly or indirectly, in order to avoid contributing to a nuclear arms race in South Asia and in accordance with U.S. obligations under the NPT.

As in the Administration's proposed legislation, H.R. 5682 requires the President to determine that India is upholding its July 18, 2005, commitments as a prerequisite for using his waiver authority. The conferees believe that India's continued implementation of those commitments is central to the integrity of our bilateral relationship. Therefore, the bill contains reporting requirements and a provision that calls for termination of exports in the event of violations of certain commitments. In addition, the bill seeks to uphold existing statutory congressional oversight of U.S. nuclear cooperation and exports. At a time when many countries are considering nuclear energy as a viable and desirable alternative to carbon-based energy sources, careful oversight of its expansion is crucial.

The establishment of a "global partnership" with India is among the most important strategic diplomatic initiatives undertaken by this Administration. This partnership, along with the extensive set of cooperative agreements that accompany it, embraces a long-term outlook that seeks to strengthen U.S. foreign policy and enhance global stability.

The House International Relations Committee and the Senate Foreign Relations Committee studied carefully the implications of the proposed agreement for nonproliferation policy. Both committees were

concerned about the precedent this exception for India could establish and worked to ensure that this agreement does not undercut U.S. compliance with its responsibilities under the NPT. As a result of these efforts, each committee's bill was approved overwhelmingly by its respective chamber.

The conferees believe that the conference agreement achieves a proper balance among competing priorities and concerns and will help solidify New Delhi's commitments to implement strong export controls, separate its civilian nuclear infrastructure from its weapons program, and place additional civilian facilities under IAEA safeguards. An agreement for peaceful nuclear cooperation with India approved by Congress according to the procedures and conditions of this conference report would be a powerful incentive for India to cooperate more closely with the United States in stopping proliferation and to abstain from further nuclear weapons tests.

The Administration's decision to establish an increasingly close relationship with this country of enormous potential, and its declaration that the U.S. welcomes India's advancement as a major economic and political player on the world stage represents a new and significant strategic opportunity to advance U.S. goals. Given that India already possesses a vibrant democracy, a rapidly growing economy, and a well-educated middle class greater than the entire U.S. population, it can serve as an engine of global economic growth. Its increasing economic, military, and political power may also contribute significantly to promoting stability in South Asia and other regions.

India has the potential to become a valued partner in countering the rise of extremism around the world as both countries can cooperate to promote religious pluralism, tolerance, and democratic freedoms. As a country with well-entrenched democratic traditions and the world's second largest Muslim population, India can set an example of a multi-religious and multi-cultural democracy in an otherwise volatile region.

The conferees believe that the conference agreement will help solidify India's commitments to implement strong export controls, separate its civilian nuclear infrastructure from its weapons program, and place additional civilian facilities under IAEA safeguards. An agreement for peaceful nuclear cooperation with India approved by Congress according to the procedures and conditions of this conference report would be a powerful incentive for India to cooperate closely with the United States in halting proliferation and abstaining from additional tests of nuclear weapons.

The conferees, along with both Houses, place great emphasis on their expectation that India's full cooperation with efforts by the U.S. and the international community to prevent Iran from acquiring the capability to produce nuclear weapons will be forthcoming.

India is already assuming a more prominent role in world affairs. Its votes in the IAEA Board of Governors in September 2005 and February 2006 regarding Iran's likely efforts to acquire a nuclear weapons capability are evidence that the Government of India is able and willing to adopt a more constructive role on international non-proliferation issues. The Conferees believe the true test of the wisdom of this legislation, which will be the effectiveness of India's new commitments and obligations regarding nuclear nonproliferation, can be judged only over time. India is determined to secure a more prominent role in global affairs. This agreement will provide it with enhanced incentives to use its rapidly expanding influence to promote regional and international stability and global economic progress.

SECTION-BY-SECTION ANALYSIS AND DISCUSSION

Title I—UNITED STATES AND INDIA NUCLEAR COOPERATION.

Section 101. Short Title.

Section 101 states that this title may be cited as the "Henry J. Hyde United States India Peaceful Atomic Energy Cooperation Act of 2006".

Section 102. Sense of Congress.

Section 102 combines provisions relating to the Sense of Congress in the House bill and in the Senate amendment. It expresses the Sense of Congress regarding the nuclear non-proliferation regime and the principles that should guide the United States in entering into an agreement on nuclear cooperation with a country that has never been a State Party to the Nuclear Non-Proliferation Treaty (NPT). Paragraph (1) states that preventing the proliferation of nuclear weapons, other weapons of mass destruction (WMD), and the means to deliver these are critical objectives for United States foreign policy.

Paragraph (2) states that sustaining the NPT and strengthening its implementation is the keystone of United States non-proliferation policy.

Paragraph (3) states that the NPT has been a significant success in preventing the spread of nuclear weapons capabilities to other countries and in maintaining a stable international security situation.

Paragraph (4) states that countries that have never become a party to the NPT and remain outside that treaty's legal regime pose a potential challenge to the achievement of the overall goals of global nonproliferation because those countries have not undertaken the NPT's international obligation to prohibit the spread of dangerous nuclear technologies.

Paragraph (5) states that it is in the interest of the United States to ensure to the fullest extent possible that those countries that are not States Party to the NPT act responsibly in the disposition of any nuclear technology they develop.

Paragraph (6) states that it is in the interest of the United States to cooperate with a country that has never signed the NPT with respect to civilian nuclear technology if that country meets certain criteria. These criteria include demonstrating responsible behavior with respect to the nonproliferation of nuclear weapons technology and the means to deliver these weapons; the country has a functioning and uninterrupted democratic system of government, has a foreign policy that is congruent with that of the United States, and is working with the United States in key foreign policy initiatives related to non-proliferation; such cooperation induces the country to promulgate and implement substantially improved protections against the proliferation of technology related to nuclear weapons and the means to deliver them and also to refrain from actions that would further the development of its nuclear weapons program; and that such cooperation will induce the country to give greater political and material support to the achievement of U.S. global and regional nonproliferation objectives, especially with respect to dissuading, isolating, and, if necessary, sanctioning and containing states that sponsor terrorism and terrorist groups and that are seeking to acquire a nuclear weapons capability or other WMD capability and the means to deliver such weapons.

Paragraph (7) states that the United States should continue its policy of engagement, collaboration, and exchanges with and between India and Pakistan.

Paragraph (8) states that strong bilateral relations with India are in the national interest of the United States.

Paragraph (9) states that the United States and India share common democratic values and the potential for increasing and sustained economic engagement.

Paragraph (10) states that commerce in civil nuclear energy with India by the United States and other countries has the potential to benefit the people of all countries.

Paragraph (11) states that civil nuclear commerce with India represents a significant change in U.S. policy toward countries not parties to the NPT and stresses that the NPT remains the foundation of the international non-proliferation regime.

Paragraph (12) states that any commerce in civil nuclear energy with India by the United States and other countries must be achieved in a manner that minimizes the risk of nuclear proliferation or regional arms races and maximizes India's adherence to international nonproliferation regimes, including, in particular, the guidelines of the Nuclear Suppliers Group.

Paragraph (13) states that the United States should not seek to facilitate or encourage the continuation of nuclear exports to India by any other party if such exports are terminated under United States law.

Section 103. Statements of Policy.

Section 103 contains provisions from the House bill and from the Senate amendment and sets forth two sets of policies of the United States: those general in nature and those specific to South Asia.

Subsection (a) states that it shall be the policy of the United States to:

1. Oppose the development of a capability to produce nuclear weapons by any non-nuclear weapon state, within or outside of the NPT;
2. Encourage States Party to the NPT to interpret the right to "develop research, production and use of nuclear energy for peaceful purposes", as set forth in Article IV of the NPT, as being a right that applies only to the extent that it is consistent with the purpose of the NPT to prevent the spread of nuclear weapons and nuclear weapons capability, including by refraining from all nuclear cooperation with any State Party that the IAEA determines is not in full compliance with its NPT obligations, including its safeguards obligations;
3. Act in a manner fully consistent with the NSG guidelines concerning nuclear transfers and transfers of nuclear-related dual-use items;

4. Strengthen the NSG guidelines and decisions concerning consultation by members regarding violations of supplier and recipient understandings by instituting the practice of a timely and coordinated response by NSG members to all such violations, including termination of all nuclear transfers to an involved recipient, that discourages individual NSG members from continuing cooperation with such recipient until such time as a consensus regarding a coordinated response has been achieved;
5. Given the special sensitivity of equipment and technologies related to the enrichment of uranium, the reprocessing of spent nuclear fuel, and the production of heavy water, work with members of the NSG, individually and collectively, to further restrict the transfers of such equipment and technologies, including to India; and
6. Seek to prevent the transfer to a country of nuclear equipment, materials, or technology from other participating governments in the NSG or from any other source if nuclear transfers to that country are suspended or terminated pursuant to this title, the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), or any other United States law.

Regarding the second statement, the conferees note that the NPT was conceived for the specific and overriding purpose of preventing the proliferation of nuclear weapons and nuclear explosive devices, as stated in the Preamble and its first three Articles. All provisions of the NPT must be interpreted within the context of preventing the proliferation of nuclear weapons and nuclear explosive devices; and Article IV conditions a country's "inalienable right to develop research, production and use of nuclear energy for peaceful purposes without discrimination" on that country's conformity with Articles I, II, and III, which obligate each non-nuclear weapon State Party "not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices."

The conferees believe that, because the processes of enriching uranium or separating plutonium for peaceful or military purposes are essentially identical, they inherently pose an enhanced risk of proliferation, even under strict international safeguards. Rights under Article IV of the NPT must be properly understood and exercised only insofar as they are consistent with preventing the proliferation of nuclear weapons. Therefore,

the world must not accept a claim by a non-nuclear weapon state of a right to develop or possess a complete nuclear fuel cycle if that country has not provided convincing evidence that its nuclear activities are fully safeguarded from contributing to a nuclear weapons capability.

Regarding the third and fourth statements, the Nuclear Suppliers Group, although not a formal organization that can issue legally-binding directives, is nonetheless one of the most effective elements of the nuclear non-proliferation regime. For a generation, U.S. Presidents have forged in this forum an important international consensus on the need to prevent nuclear proliferation by controlling the export of sensitive nuclear material, equipment and technology. The conferees believe strongly that no bilateral objective, even the important objective of a new relationship with India, should be allowed to undermine the NSG's effectiveness. The United States must continue to abide by the NSG Guidelines, which it has worked so diligently to achieve.

Equally, the United States must maintain the consensus decision mechanism of the NSG, and not look for any way around that requirement. The conferees believe that the effectiveness of the NSG rests upon its consensus decision-making, resulting in unified policies and enhanced compliance with those policies. The conferees are mindful that a country outside the regime that seeks an exception from NSG guidelines could agree to stringent safeguards with some NSG members, but later import only from other NSG members that did not impose such requirements. To preclude such a scenario, the conferees urge the Executive branch to persuade other NSG members to act in concert in terms of the timing, scope, and safeguarding of nuclear supply to all countries, including India. In particular, the conferees intend that the United States seek agreement among NSG members that violations by one country of an agreement with any NSG member should result in joint action by all members, including, as appropriate, the termination of nuclear exports. In addition, the conferees intend that the Administration work with individual states to encourage them to refrain from sensitive exports.

Regarding the sixth statement, if U.S. exports to a country were to be suspended or terminated pursuant to U.S. law, it will be U.S. policy to seek to prevent the transfer to such country of nuclear equipment, material or technology from other sources. This concern could arise if, for example, there were a nuclear test explosion, termination or abrogation of IAEA safeguards, material violation of IAEA safeguards or an agreement of

cooperation with the United States, assistance or encouragement of a non-nuclear weapon state in nuclear-weapons related activities or reprocessing-related activities, or (in India's case) failure to uphold its July 18, 2005, Joint Statement commitments. In such a circumstance, the conferees expect the United States to encourage other supplier countries not to undermine U.S. sanctions.

On March 6, 2006, the Indian Prime Minister told the Indian Parliament that the U.S. Government had said that if a disruption of fuel supplies to India occurs, the U.S. would, with India, jointly convene a group of friendly supplier countries, such as Russia, France and the United Kingdom, to pursue such measures as would restore fuel supply to India. The conferees understand and expect that such assurance of supply arrangements that the U.S. is party to will be concerned only with disruption of supply of fuel due to market failures or similar reasons, and not due to Indian actions that are inconsistent with the July 18, 2005, commitments, such as a nuclear explosive test.

Subsection (b) states that, with respect to South Asia, it shall be U.S. policy to:

1. Achieve, at the earliest possible date, a moratorium on the production of fissile material for nuclear explosive purposes by India, Pakistan, and the People's Republic of China;
2. Achieve, at the earliest possible date, the conclusion and implementation of a treaty banning the production of fissile material for nuclear weapons to which both the United States and India become parties;
3. Secure India's full participation in the Proliferation Security Initiative (PSI), formal commitment to the PSI's Statement of Interdiction Principles, public announcement of its decision to conform its export control laws, regulations, and policies with the Australia Group and with the Guidelines, Procedures, Criteria, and Control Lists of the Wassenaar Arrangement, and demonstration of satisfactory progress toward implementing this decision; and ratification of or accession to the Convention on Supplementary Compensation for Nuclear Damage;
4. Secure India's full and active participation in U.S. efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to

acquire WMDs, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel and the means to deliver WMDs;

5. Seek to halt the increase of nuclear weapon arsenals in South Asia and to promote their reduction and eventual elimination;
6. Ensure that spent fuel generated in India's civilian nuclear power reactors is not transferred to the United States except under procedures required under section 131 f. of the Atomic Energy Act of 1954;
7. Pending implementation of the multilateral moratorium or treaty described in paragraphs (1) and (2), encourage India not to increase its production of fissile material at unsafeguarded nuclear facilities;
8. Ensure that any safeguards agreement or Additional Protocol to which India is a party with the IAEA can reliably safeguard any export or reexport to India of nuclear materials and equipment;
9. Ensure that the text and implementation of any agreement for cooperation with India meet the requirements set forth in subsections a.(1) and a.(3) through a.(9) of section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153); and
10. Ensure that any nuclear power reactor fuel reserve provided to the Government of India for use in safeguarded civilian nuclear facilities should be commensurate with reasonable reactor operating requirements.

The conferees believe that a U.S.-India nuclear cooperation agreement will mark an important and positive turning point in the U.S.-India relationship. This does not mean, however, that the United States should sacrifice its long-standing objectives for non-proliferation in South Asia. This subsection states that U.S. policy must be to continue to support a fissile material moratorium in South Asia and a halt to the increase in nuclear arsenals in the region, which would bring great benefits to India and its neighbors. The United States must also continue to work for a broader fissile material production halt, whether through Fissile Material Cut-off Treaty negotiations or, for example, through an agreement reached by all the countries that have fissile material for nuclear weapons purposes.

The conferees believe also that India has a significant role to play in

preventing the proliferation of dangerous nuclear technologies to other countries and that India must be a part of the international effort to prevent Iran from acquiring weapons of mass destruction, especially nuclear weapons. The conferees fully expect and look forward to the day when India joins the world community in conforming to the full range of nonproliferation and export control regimes. In the July 18, 2005, Joint Statement, India committed to accept the "same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the United States." India's welcome steps regarding nuclear and missile-related export controls are important progress in this regard, but the other leading countries with advanced nuclear technology will expect India to join them also in stemming the flow of items that can contribute to chemical and biological weapons programs and of destabilizing types or amounts of certain conventional weapons. India's participation in the Proliferation Security Initiative would also be of great benefit to the world and to the region.

It is also vital that India hasten the day when it can halt the production of fissile material for weapons, as four of the five nuclear weapon states under the NPT have openly done. The conferees understand that India cannot do this alone, and therefore urge the Executive branch to pursue a joint moratorium by India, Pakistan and China, as well as a multilateral treaty banning the production of fissile material for nuclear weapons.

The conferees believe it is critical to secure India's full participation in U.S. efforts to prevent Iran from acquiring nuclear weapons, a position held by many members of both houses of Congress. The conferees express their appreciation for India's favorable votes on this issue in the IAEA Board of Governors and its statements that Iran should indeed cooperate with the IAEA and refrain from developing nuclear weapons.

They understand also that India has long-standing ties with Iran. Precisely because India has those ties, it can and must play a prominent and positive role in convincing Iran that the path of cooperation and of nuclear development with international assurances, but without an indigenous full fuel cycle, is far preferable to the path of obduracy and isolation in order to develop uranium enrichment and plutonium production capabilities.

The United States has an obligation under Article I of the NPT not to "in any way assist, encourage, or induce a non-nuclear weapon state to

manufacture or otherwise acquire nuclear weapons.” Many nonproliferation experts have noted the need to avoid a nuclear arms race in South Asia, as well as to ensure that U.S. assistance does not encourage India to increase its production of fissile material at unsafeguarded nuclear facilities. The conferees understand that U.S. peaceful nuclear cooperation with India will not be intended to inhibit India’s nuclear weapons program. At the same time, however, such cooperation must be conducted in a manner that does not assist that program. That is why the conferees stress the need for effective safeguards on nuclear-related exports or reexports to India, the need to meet the requirements in sections a.(1) and a.(3) through a.(9) of section 123 of the Atomic Energy Act, and the need for any nuclear fuel reserve provided to the Government of India to be commensurate with reasonable reactor operating requirements, rather than of a size that would enable India to break its commitments or end its moratorium on nuclear testing and maintain its civil nuclear energy production despite unilateral or international sanctions.

Indian officials have publicly stated that under the U.S.-India agreement, India will be able to produce as much fissile material for weapons purposes as it desires. At the same time, however, many experts have said that there is no reason why India would need or want to increase that production significantly. The conferees hope that India will demonstrate restraint and not increase significantly its production of fissile material. If civil nuclear commerce were to be seen, some years from now, as having in fact contributed to India’s nuclear weapons program, there could be severe consequences for nuclear cooperation, for U.S.-Indian relations, and for the world-wide nuclear nonproliferation regime.

India’s March 2006 nuclear facility separation plan stated: “The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India’s reactors.” Congress has not been able to determine precisely what was said on this matter in high-level U.S.-Indian discussions. U.S. officials testified, however, that the United States does not intend to help India build a stockpile of nuclear fuel for the purpose of riding out any sanctions that might be imposed in response to Indian actions such as conducting another nuclear test.

The conferees understand that nuclear reactor facilities commonly have some fresh fuel stored, so as to minimize down time when reactor cores are removed. They endorse the Senate proposal, however, that there

be a clear U.S. policy that any fuel reserve provided to India should be commensurate with normal operating requirements for India's safeguarded reactors.

Section 104. Waiver Authority and Congressional Approval. The conference agreement adopts the framework of the House bill, but adds a number of provisions from the Senate amendment.

Section 104(a) provides the President with authority to exempt an agreement for civil nuclear cooperation with India and nuclear exports to India from certain sections of the Atomic Energy Act of 1954 (AEA) that would otherwise present obstacles to approving and implementing such an agreement. Specifically, the waiver authority applies to sections 123 a.(2), 128, and 129.

Both the House of Representatives and the Senate concurred with the administration regarding the need for relief from the requirement in section 123 a.(2) of the AEA, which would otherwise require that India agree to put all its nuclear facilities under IAEA safeguards. They concluded, in particular, that the Executive branch would be unable to meet the standard in existing law for exempting a U.S.-India agreement from this requirement, namely that failure to make the proposed exception/waiver would be "seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security."

The conferees recommend allowing the President to exempt an agreement with India from the requirement in section 123 a.(2) of the AEA without making this determination. Instead, subsection 104(a) requires that the President make the determination in subsection 104(b). The conferees emphasize their intent, however, that section 123 a.(2) be the only portion of the AEA from which their recommendation provides relief. The Executive branch will still be required to coordinate and submit to Congress a Nuclear Proliferation Assessment Statement under section 123. In addition, an agreement for cooperation with India will still have to meet the requirements of section 123 a.(1) and a.(3) through (9), unless the President can meet the standard quoted above for exempting the agreement from one or more of those requirements.

The conferees recommend subsection 104(e), moreover, which amends section 123 a. of the AEA so as to make clear that an agreement with India for which the President has exercised the waiver provided by subsection 104(a) of this title will be considered under existing AEA

procedures for approval of an agreement for cooperation exempted from one of the requirements of section 123 a. These procedures provide for expedited consideration of a joint resolution of approval of the agreement, but do not permit the agreement to enter into force unless and until a joint resolution of approval is enacted. Parliamentary practice in the two houses of Congress is that the expedited joint resolution will not contain any conditions to their approval of the agreement and will not be subject to amendment. Congress could pass a joint resolution of approval with conditions, but would have to proceed without benefit of the expedited procedures offered by sections 123 and 130 of the AEA.

Section 104(a)(2) provides the President authority to waive section 128 of the AEA with respect to exports to India, without the additional limitations proposed in the House bill.

In addition, this title would allow the President to waive the restrictions of section 129 a.(1)(A) of the AEA for any activity that occurred on or before July 18, 2005, and also to waive the restrictions of section 129 a.(1)(D). This would provide authority to waive a termination of nuclear exports that would otherwise be required because of President Clinton's determination that India had tested a nuclear explosive device in 1998, while keeping in place the requirement to cut off exports should India test in the future. It would also provide waiver authority for cessation of U.S. nuclear exports to India in the event that the President determines that India has "engaged in activities involving source or special nuclear material and having direct significance for the manufacture or acquisition of nuclear explosive devices, and has failed to take steps which, in the President's judgment, represent sufficient progress toward terminating such activities." This waiver will be necessary because India will presumably continue to produce material for its nuclear weapons program, consistent with its separation plan.

Subsection (b) requires the President to make the following determinations:

- 1) India has provided the United States and the International Atomic Energy Agency with a credible plan to separate civil and military nuclear facilities, materials, and programs, and has filed a declaration regarding its civil facilities and materials with the IAEA;
- 2) India and the IAEA have concluded all legal steps required prior to signature by the parties of an agreement requiring the application of IAEA safeguards in perpetuity in accordance with IAEA standards,

principles, and practices (including IAEA Board of Governors Document GOV/1621 (1973)) to India's civil nuclear facilities, materials, and programs as declared in its separation plan, including materials used in or produced through the use of India's civil nuclear facilities;

- 3) India and the IAEA are making substantial progress toward concluding an Additional Protocol consistent with IAEA principles, practices, and policies that would apply to India's civil nuclear program;
- 4) India is working actively with the United States for the early conclusion of a multilateral treaty on the cessation of the production of fissile materials for use in nuclear weapons or other nuclear explosive devices;
- 5) India is working with and supporting U.S. and international efforts to prevent the spread of enrichment and reprocessing technology to any state that does not already possess full-scale, functioning enrichment or reprocessing plants;
- 6) India is taking the necessary steps to secure nuclear and other sensitive materials and technology, including through: the enactment and enforcement of comprehensive export control legislation and regulations; harmonization of its export control laws, regulations, policies, and practices with the policies of the MTCR and the NSG, and adherence to the MTCR and the NSG in accordance with the procedures of those regimes for unilateral adherence;
- 7) The NSG has decided by consensus to permit supply to India of nuclear items covered by the guidelines of the NSG.

The conferees intend that the need for these determinations will make certain that measures needed to ensure that the agreement can safely come into force are in place, e.g., a safeguards agreement negotiated with the IAEA, and that India has fulfilled key obligations it undertook freely in its July 18, 2005, statement and in subsequent statements. The conferees recognize that a number of these conditions will require considerable expenditure of effort and resources to satisfy, such as the negotiation of an Additional Protocol that must be tailored to India's unique needs, and for that reason have allowed for significant latitude regarding their completion. But the conferees believe that none of these conditions, either singly or in combination with others, is onerous. In addition, although they

did not impose rigorous measurements or deadlines, the conferees intend that considerable substantive progress on the foregoing measures can be demonstrated, including India's cooperation with the United States to prevent the spread of enrichment and reprocessing technology and its taking steps to strengthen its export laws and regulations.

The House bill required a determination that India and the IAEA "have concluded" a safeguards agreement, while the Senate version required that the agreement "has entered into force." The conferees want to ensure that the Congress can have confidence that the text of the safeguards agreement, which will be provided when an agreement with India is submitted to Congress, is what will actually come into effect.

The conferees recognize, however, that there might well be a delay between the approval of a safeguards agreement and the date of its entry into force. They understand also that India may be wary of signing a safeguards agreement with the IAEA before an agreement for cooperation with the United States has been approved.

The conferees recommend that the President be required to determine that India and the IAEA have concluded all legal steps required prior to signature by the parties of a safeguards agreement that conforms to IAEA standards, principles, and practices. They have been assured that signature is the final step in the process of negotiating and approving a safeguards agreement. Normally, safeguards agreements enter into force upon signature. The Executive branch understands that Congress must be confident that the India-IAEA safeguards agreement text it is shown when an agreement for cooperation is submitted is, in fact, what will be signed and come into force. The conferees believe that Congress will be able to rely upon a text that has gone through all legal steps required prior to signature by the parties.

With regard to Indian adherence to the MTCR and the NSG, the conferees understand that there are specific procedures that a country uses to unilaterally adhere to such regimes. The conferees also understand that the Government of India is aware of those procedures.

Paragraph (7) requires a presidential determination that the Nuclear Suppliers Group has decided by consensus to permit supply to India of nuclear items covered by the guidelines of the NSG. The conferees believe that it is vital to maintain the role and effectiveness of the NSG, a position which is consistent with statements by senior Administration officials. This provision ensures that the NSG will change its guidelines, or grant an

exemption from them, only in accordance with its longstanding practice that all such changes require consensus among its participating governments.

Subsection (c) requires the President to submit to the House International Relations Committee and the Senate Foreign Relations Committee the determination described in subsection (b) and a report regarding this determination that includes:

- 1) summaries and copies of India's separation plan and of its declaration of which of its civil nuclear facilities will be placed under IAEA safeguards, including an analysis of the credibility of the plan and declaration;
- 2) a summary of the safeguards agreement between India and the IAEA, including a copy of the agreement and a description of progress toward its full implementation;
- 3) a summary of the progress made toward concluding and implementing an Additional Protocol between India and the IAEA, including a description of the scope of that Additional Protocol;
- 4) a description of the steps India is taking to work with the United States for the conclusion of a multilateral treaty banning the production of fissile material for nuclear weapons, including a description of the steps the United States has taken and will take to encourage India to identify and declare a date by which India would be willing to stop production of fissile material for nuclear weapons unilaterally or pursuant to a multilateral moratorium or treaty;
- 5) a description of the steps India is taking to prevent the spread of nuclear-related technology, including enrichment and reprocessing technology or materials that can be used to acquire nuclear weapons technology, as well as the support that India is providing to the United States to restrict the spread of such technology;
- 6) a description of the steps that India is taking to secure materials and technology applicable for the development, acquisition, or manufacture of weapons of mass destruction and the means to deliver such weapons through the application of comprehensive export control legislation and regulations, and through harmonization and adherence to MTCR, NSG, Australia Group, and Wassenaar Arrangement guidelines, as well as compliance with United Nations

Security Council Resolution 1540, and participation in the Proliferation Security Initiative;

- 7) a description and assessment of the specific measures that India has taken to fully and actively participate in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel, and the means to deliver weapons of mass destruction;
- 8) a description of the NSG decision regarding India, including whether the U.S.- India civil nuclear cooperation agreement is consistent with the decision and with the practices and policies of the NSG;
- 9) a description of the scope of peaceful cooperation envisioned by the United States and India that will be implemented under the Agreement for Nuclear Cooperation, including whether such cooperation will include the provision of enrichment and reprocessing technology; and
- 10) a description of the measures the United States will take to prevent the use of any United States equipment, technology, or nuclear material by India in an unsafeguarded nuclear facility or for any activity related to nuclear explosive devices, and ensure that the provision of nuclear reactor fuel does not result in increased production of fissile material in unsafeguarded nuclear facilities.

Since the IAEA Board of Governors resolved that Iran was in noncompliance with its safeguards and NPT obligations in September 2005, diplomatic negotiations to dissuade, sanction and contain the Iranian nuclear program have been largely unsuccessful. It is imperative to obtain the support of key states to develop measures that would enable the world community once again to have confidence in both Iran's nuclear intentions and the ability to monitor developments. India's support, as a long-time leader of the Non-Aligned Movement and as a state with military and economic relations with Iran, is particularly important. The conferees believe that India's full and active participation in U.S. and international efforts to dissuade, sanction, and contain Iran's nuclear program would greatly benefit both the region and the world, and that the report on its efforts in this regard, required by subparagraph (c)(2)(G) will be of great interest to many Members of Congress.

There has been much concern about the possibility that the provision of nuclear technology and nuclear fuel to India could indirectly assist or encourage India's nuclear weapons program. To increase confidence that no such developments will take place, the conferees recommend the reporting requirement in subparagraph (c)(2)(J). The report should address the potential replication of U.S.-origin nuclear technology in unsafeguarded nuclear facilities in India, as well as the possible utilization of foreign nuclear fuel supplies in a manner that leads to the increased production of fissile material in India's unsafeguarded nuclear facilities using domestic uranium reserves. Further, the conferees urge the Administration to encourage India to exercise the utmost restraint with respect to its nuclear weapons program, including with respect to any new reactor that would increase India's plutonium production capability.

Subsection (d) provides, in part, that:

1) nothing in this title constitutes authority to carry out any civil nuclear cooperation between the U.S. and a country that is not a nuclear-weapon State Party to the NPT that would in any way assist, encourage, or induce that country to manufacture or otherwise acquire nuclear weapons or nuclear explosive devices;

2) no item subject to the transfer guidelines of the NSG may be transferred to India if such transfer would be inconsistent with the guidelines in effect on the date of the transfer; and

3) exports of nuclear and nuclear-related material, equipment, or technology to India shall be terminated if India makes any materially significant transfer of nuclear or nuclear-related material, equipment, or technology that does not conform to NSG guidelines or ballistic missiles or missile-related equipment or technology that does not conform to MTCR guidelines, unless the President either determines that cessation of such exports would be seriously prejudicial to the achievement of U.S. nonproliferation objectives or otherwise jeopardize the common defense and security; or chooses not to terminate exports because: the transfer was made without the knowledge of the Government of India; at the time of the transfer, either the Government of India did not own, control or direct the Indian person that made the transfer or the Indian person that made the transfer is a natural person who acted without knowledge of any entity described in subparagraph (B) or (C) of section 110(5); and the President certifies to the appropriate congressional committees that the Government

of India has taken or is taking appropriate judicial or other enforcement actions against the entity with respect to such transfer.

As stated above, the conferees believe the NPT is the keystone of U.S. nonproliferation policy and must be sustained and strengthened. The United States has always abided by its obligation under Article I of the NPT to not in any way assist, encourage, or induce non-nuclear weapon states to manufacture or otherwise acquire nuclear weapons or nuclear explosive devices. The Nuclear Nonproliferation Act of 1978 set a standard almost thirty years ago for the United States in its civil nuclear cooperation with non-nuclear weapon states by requiring those states to have full-scope safeguards. In making an exception for a future nuclear cooperation agreement with India in this bill, it is paramount to ensure that nothing in such cooperation would undermine America's commitment to abide by Article I of the NPT. The conferees recommend paragraph 104(d)(1) to underscore this view.

Section 104(d)(2) is one of several provisions in the bill intended to ensure that any civil nuclear cooperation between the United States and India strengthens rather than weakens the global nuclear nonproliferation regime. This provision contributes to the achievement of this objective by prohibiting the transfer to India of any item the transfer of which is subject to (1) a U.S.-India agreement for cooperation, (2) the NSG Guidelines for Nuclear Transfers (INFCIRC/254, Part 1), or (3) the NSG Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Materials, Software and Related Technology (INFCIRC/254, Part 2), if such transfer would be inconsistent with either of the aforementioned NSG guidelines as in effect on the date of the transfer. No waiver authority is provided to permit transfers to be made notwithstanding this restriction.

This restriction will ensure that U.S.-India nuclear cooperation continues to be carried out in a manner consistent with the transfer guidelines and policies of the NSG. The Administration has expressed confidence that the NSG will adjust its guidelines in order to permit civil nuclear cooperation along the lines contemplated by the July 18, 2005, Joint Statement of President Bush and Prime Minister Singh. Further, Secretary of State Condoleezza Rice has publicly assured Congress, by means of a letter dated June 28, 2006, to Senate Foreign Relations Committee Chairman Richard Lugar, that:

. . . in carrying out the laws and regulations of the United States

governing the export of nuclear-related items, the United States Government will continue to act in accordance with IAEA INFCIRC/254, as amended, the Guidelines and Annexes of the Nuclear Suppliers Group. The U.S. will also continue to act within the policies and practices of the decisions taken by the Nuclear Suppliers Group with respect to India. We intend to do so notwithstanding any contrary actions by any other participating countries in the Nuclear Suppliers Group.

Section 104(d)(3) reflects the importance the conferees attach to India's commitments in the July 18, 2005, Joint Statement to secure its nuclear materials and nuclear and missile technology through comprehensive export control legislation and through harmonization and adherence to MTCR and NSG guidelines. These two steps are critical to bringing India closer to the nonproliferation mainstream, one of the benefits attributed to U.S. nuclear cooperation with India by the Administration.

Failure to conform to these nuclear and missile export control guidelines, both in principle and in practice, would represent a failure by India to meet the nonproliferation standards expected of other responsible states.

This provision mandates termination of exports under an agreement for cooperation with India if an Indian person engages in transfers that are not consistent with NSG or MTCR guidelines. The term "Indian person," which is defined in subsection 110(5), is used in a legal sense, to encompass both individuals and entities of all sorts that are under India's jurisdiction, as well as governmental entities. The term includes non-Indian nationals, if they are under India's jurisdiction.

As no export control system is perfect, the conferees recommend that the threshold of violation be one of material significance. This should eliminate any concern that the sale of a "widget" to the wrong country could trigger the sanction in paragraph 104(d)(2).

The conferees recommend granting to the President two separate waiver authorities regarding this sanction. The first could be exercised if the President determines that cessation of such exports would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security.

The second waiver could be used if the offending transfer was made

without the knowledge of the Government of India, such transfer was made either by an Indian person not owned, controlled, or directed by the Government of India at the time of the transfer, or by an individual who acted alone without the knowledge of the relevant Indian entity, and the President certified to the appropriate congressional committees that the Government of India has taken or is taking appropriate judicial or other enforcement actions against the Indian person with respect to such transfer. The conferees do not intend that an Indian individual working alone for private gain and without the knowledge of the entity for which that individual works would trigger the restrictions in this section. However, if such individual is a senior officer of such entity, the conferees believe that constructive knowledge must be deemed to exist. In a case where it is impossible for the Government of India to bring judicial or other enforcement action against an Indian person because the government cannot exercise jurisdiction over the person or entity, or if the Government of India cannot bring an enforcement action because of its good faith interpretation of applicable law, or for some other reason, the statutory requirement that “appropriate” action be taken to avoid the termination required in subparagraph (A) may be deemed fulfilled. The conferees thus intend not to put an agreement for cooperation with India in jeopardy, but rather to encourage India’s compliance with its commitments and to allow sanctions to be waived if compliance efforts are in train. It is the President’s responsibility, however, to show in his certification to Congress that such circumstances limiting the Government of India’s enforcement actions truly exist, and are not in reality an evasion of the intent of this provision that India exercise true oversight over the persons and entities that operate within its territory or jurisdiction.

The conferees understand that, if necessary, the President could use his waiver authority to give India some time in which to commence appropriate enforcement actions. The conferees intend, however, that any such waiver would be for a limited period and would be withdrawn if the expected enforcement failed to materialize.

Section 104(d)(4) derives from a provision in the Senate bill that prohibited the export and reexport to India of any equipment, materials, or technology related to the enrichment of uranium, the reprocessing of spent nuclear fuel, or the production of heavy water to India, except where the Indian end user is a multinational facility participating in an IAEA-approved program to provide alternatives to national fuel cycle capabilities or a facility participating in a bilateral or multinational program to develop a proliferation

resistant fuel cycle, and where the President determines that the export or reexport will not improve India's ability to produce nuclear weapons or fissile material for military uses. The conferees recommend the Senate provision with an amendment.

Section 104(d)(4) regulates U.S. cooperation with India in the areas of uranium enrichment, reprocessing of spent fuel and heavy water production. Under the Atomic Energy Act, such cooperation is not restricted, but agreements for cooperation must specify if such cooperation is to take place.

In dealing with such matters as related to India, the conferees have paid particular attention to the general status of such cooperation under U.S. law and with all nations that currently have 123 agreements with the United States, and to the policies of the present Administration. The conferees note that all but one currently active Section 123 agreement (with Australia) specifically prohibit such cooperation. In order to meet the requirement of Section 123 a.(9) of the Atomic Energy Act (that equipment, material, or production or utilization facilities produced as a result of a U.S. nuclear cooperation agreement will be subject to all the other requirements of Section 123 a.), it has been deemed necessary to amend agreements for cooperation, submitting them to Congress for approval. In 1999, when the United States Government opted to expand U.S.-Australian nuclear cooperation to allow for cooperation in the SILEX uranium enrichment process, an amended agreement was submitted to Congress for approval.

The conferees intend that, should any such cooperation with India be contemplated, either the original agreement for cooperation would specify that such cooperation is authorized or a subsequently amended agreement would be submitted to the Congress. In either circumstance, existing congressional prerogatives to review and approve such cooperation would be maintained. The conferees note that the

Administration has already stipulated that "full civil nuclear cooperation," the term used in the July 18, 2005, Joint Statement between President Bush and Indian Prime Minister Singh, will not include enrichment or reprocessing technology. This is consistent with President Bush's February 11, 2004, speech at the National Defense University, in which he stated that "enrichment and reprocessing are not necessary for nations seeking to harness nuclear energy for peaceful purposes," and the fact that, other than in the SILEX arrangement with Australia, the United States

does not currently engage in cooperation regarding enrichment or reprocessing technology with any country.

The conferees recommend an additional provision, not contained in the original Senate bill, that would add a requirement that appropriate measures will be in place to ensure that no sensitive nuclear technology (SNT), as defined in section 4(5) of the Nuclear Nonproliferation Act of 1978 (22 U.S.C. 3203(5)), will be diverted to any person, site, facility, location, or program not under IAEA safeguards.

The conferees believe that this language is necessary to ensure that no SNT related to the enrichment of uranium (which can be used to make highly-enriched uranium for weapons), the reprocessing of spent nuclear fuel (which can provide plutonium for weapons), or the production of heavy water (which is used in reactors that produce weapons-grade plutonium and tritium as a byproduct) is transferred to India, unless under circumstances that provide assurance that this technology would not be diverted to a similar site, facility, location, or program not associated with peaceful nuclear fuel-cycle activities.

India currently produces heavy water, operates heavy-water moderated reactors, reprocesses spent nuclear fuel, and has a limited uranium enrichment capability. Only a portion of India's facilities will be under IAEA safeguards, and sensitive nuclear technologies will reside in India in both safeguarded and un-safeguarded facilities. The conferees seek to ensure that the United States does not provide, even inadvertently, assistance to India that could further India's development of these technologies for non-civilian purposes. Such assistance could be viewed as a violation of U.S. obligations under Article I of the NPT.

The conferees intend that no licenses be issued pursuant to Parts 110 and 810 of Title 10 of the Code of Federal Regulations by the Nuclear Regulatory Commission (NRC) and the Secretary of Energy except under the requirements of subparagraph (B) of subsection 104(d)(4). Such a restriction on transfers would also extend to any Department of Energy authority to transfer enrichment, reprocessing, or heavy water production-related technology, not pursuant to a Section 123 agreement.

The conferees note that section 104(d)(4) cannot override the terms of an agreement for cooperation with India arranged pursuant to section 123 of the Atomic Energy Act that may not permit such cooperation and

would thus bar such exports or transfers, and the conferees do not intend to create such authority. They expect that, as in other nuclear cooperation agreements, the Executive branch would submit an amended or new nuclear cooperation agreement to cover enrichment, reprocessing, or heavy water production-related cooperation, should such a change be undertaken in the future with India. Such an agreement would not be pursuant to the terms of this title, and would have to be submitted under the existing exemption authority contained in section 123 of the AEA.

Section 104(d)(5) contains broad requirements for a nuclear export accountability program to be carried out with respect to U.S. exports and re-exports of nuclear materials, equipment, and technology sold, leased, exported, or reexported to India. Such a program can provide increased confidence in India's separation of its civilian from its military nuclear programs, facilities, materials and personnel, and also would further ensure United States compliance with Article I of the NPT and implementation of section 123 a.(1) of the Atomic Energy Act of 1954. The provision is not intended to reflect poorly on India's July 18, 2005, Joint Statement commitments and its March and May 2006 separation documents. Rather, the conferees believe that the resulting and regular cooperation between U.S. regulatory agencies, in particular with the NRC, can provide a basis for even greater cooperation between the two nations.

Section 104(d)(5) provides a large degree of flexibility to the President. Clauses (B)(i) and (ii) require sufficient measures to ensure that all the assurances and conditions of any licenses or authorizations issued for exports and reexports to India by the NRC (which are issued under 10 CFR Part 110) and by the Secretary of Energy (which are issued pursuant to 10 CFR Part 810) are being met and complied with in India. Clause (B)(ii) would require that, with respect to any authorizations issued by the Secretary of Energy pursuant to section 57 b. of the Atomic Energy Act of 1954 (42 USC 2077(b)): the identified recipients of the nuclear technology are authorized to receive the nuclear technology; the nuclear technology identified for transfer will be used only for safeguarded nuclear activities and will not be used for any military or nuclear explosive purpose; and the nuclear technology identified for transfer will not be retransferred without the prior consent of the United States, and facilities, equipment, or materials derived through the use of transferred technology will not be transferred without the prior consent of the United States.

Section 104(d)(5)(B)(iii) mandates that, in the event the IAEA is

unable to implement safeguards as required by an agreement between the United States and India approved pursuant to this title, there be appropriate assurance that arrangements will be put in place expeditiously that are consistent with the requirements of section 123 a.(1) of the Atomic Energy Act of 1954 (42 U.S.C. 2153(a)(1)) regarding the maintenance of safeguards as set forth in the agreement regardless of whether the agreement is terminated or suspended for any reason. Assurances that there will be such “fall-back safeguards,” if needed, are an important feature of agreements for nuclear cooperation; they enable such safeguards to exist more clearly in perpetuity. There is always a possibility that budget or personnel strains in the IAEA will render it unable to fulfill a safeguards mandate. Such strains would likely have nothing to do with India, but would have a major impact on the ability of the United States to assure that U.S. exports were being used responsibly. The conferees intend to assure that the requirements of section 123 a.(1) are fully met; they do not intend to impose a more intrusive regime than arrangements that have been used before in one or more U.S. agreements for cooperation.

Section 104(e) makes a conforming amendment to section 123 d. of the Atomic Energy Act of 1954. The purpose of this provision is to make clear that the U.S.-India agreement on civil nuclear cooperation, even if exempted from subsection a.(2) of section 123, may enter into force only if approved by Congress by a joint resolution of approval, consistent with current law with regard to an agreement that the President exempts from any requirement of subsection a. of section 123. As with any other agreement submitted under section 123 d., the congressional approval procedures under section 130 i. of the Atomic Energy Act would apply.

Section 104(f) provides that the authority under subsection (a)(1) to exempt a U.S.-India agreement on civil nuclear cooperation will terminate if a joint resolution, approved as required under section 123 d. (as amended by subsection (e)), is enacted. The purpose of this provision is to ensure that a future President may not use the authority of this title to exempt a new U.S.-India agreement on civil nuclear cooperation.

Section 104(g) provides for several reports to Congress.

Paragraph (1) requires the President to keep the appropriate congressional committees fully and currently informed of the facts and implications of any significant nuclear activities of India. This requirement includes information on any material noncompliance on the part of the Government of India with the nonproliferation commitments undertaken in

the Joint Statement of July 18, 2005, the March 7, 2006, separation plan, the future IAEA-India safeguards agreement and Additional Protocol, a peaceful nuclear cooperation agreement between India and the United States, the terms and conditions of any approved licenses regarding the export or reexport of nuclear material or dual-use material, equipment, or technology, and United States laws and regulations regarding such licenses. This reporting requirement also encompasses information regarding the construction of a nuclear facility in India after the date of the enactment of this title, significant changes in the production by India of nuclear weapons or in the types or amounts of fissile material produced, and changes in the purpose or operational status of any unsafeguarded nuclear fuel cycle activities in India.

The term “fully and currently informed” creates an obligation upon the Executive branch to inform the appropriate committees whenever significant information becomes available, rather than waiting to include it in a regularly scheduled report. This does not mean that the committees can expect daily or weekly briefings; rather, the Executive branch is trusted to use common sense in determining how best to discharge its duty to keep the committees up to date on important information.

Paragraph (2) requires an “Implementation and Compliance Report” by the President to Congress not later than 180 days after the date on which a civil nuclear cooperation agreement between the U.S. and India enters into force and annually thereafter.

This report must include a description of any additional nuclear facilities and nuclear materials that the Government of India has placed or intends to place under IAEA safeguards; a comprehensive listing of all licenses that have been approved by the Nuclear Regulatory Commission and the Secretary of Energy for exports and reexports to India under parts 110 and 810 of title 10, Code of Federal Regulations; any licenses approved by the Department of Commerce for the export or reexport to India of commodities, related technology, and software which are controlled for nuclear nonproliferation reasons on the Nuclear Referral List of the Commerce Control List maintained under part 774 of title 15, Code of Federal Regulation, or any successor regulation; any other United States authorizations for the export or reexport to India of nuclear materials and equipment; and with respect to each such license or other form of authorization as described:

- 1) the number or other identifying information of each license or authorization;
- 2) the name or names of the authorized end user or end users;
- 3) the name of the site, facility, or location in India to which the export or reexport was made;
- 4) the terms and conditions included on such licenses and authorizations;
- 5) any postshipment verification procedures that will be applied to such exports or reexports; and
- 6) the term of validity of each such license or authorization.

This report must also include information regarding any significant nuclear commerce between India and other countries, including any such trade that is not consistent with applicable NSG guidelines or decisions, or would not meet the standards applied to exports or reexports of such material, equipment, or technology of United States origin. In addition, the report must include either an assessment that India is in full compliance with the commitments and obligations contained in the agreements and other documents referenced above; or an identification and analysis of all compliance issues arising with regard to the adherence by India to its commitments and obligations, including 1) the steps the U.S. Government has taken to remedy or otherwise respond to such compliance issues; 2) the responses of the Government of India to such steps; 3) the steps the U.S. Government will take to this end in the coming year; and 4) an assessment of the implications of any continued noncompliance, including whether nuclear commerce with India remains in the national security interest of the United States.

Further, the report must contain an assessment of whether India is fully and actively participating in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel, and the means to deliver weapons of mass destruction, including a description of the specific measures that India has taken in this regard; and if India is not assessed to be fully and actively participating in these efforts, a description of: the measures the United States Government has

taken to secure India's full and active participation, the responses of the Government of India to such measures, and the measures the United States Government plans to take in the coming year to secure India's full and active participation.

The report must provide an analysis of whether United States civil nuclear assistance to India is in any way assisting India's nuclear weapons program, including through the use of any U. S. equipment, technology, or nuclear material by India in an unsafeguarded nuclear facility or nuclear-weapons related complex; the replication and subsequent use of any U.S. technology by India in an unsafeguarded nuclear facility or unsafeguarded nuclear weapons-related complex, or for any activity related to the research, development, testing, or manufacture of nuclear explosive devices; and the provision of nuclear fuel in such a manner as to facilitate the increased production by India of highly-enriched uranium or plutonium in unsafeguarded nuclear facilities.

A detailed description is also required regarding U.S. efforts to promote national or regional progress by India and Pakistan in disclosing, securing, limiting, and reducing their fissile material stockpiles, including stockpiles for military purposes, pending creation of a world-wide fissile material cut-off regime, including the institution of a Fissile Material Cut-off Treaty; the responses of India and Pakistan to such efforts; and assistance that the United States is providing, or would be able to provide, to India and Pakistan to promote the aforementioned national and regional progress by India and Pakistan.

The report must also contain an estimate of the amount of uranium mined and milled in India during the previous year, the amount of such uranium that has likely been used or allocated for the production of nuclear explosive devices, and the rate of production in India of fissile material for nuclear explosive devices and of nuclear explosive devices, along with an estimate of the amount of electricity India's nuclear reactors produced for civil purposes during the previous year, and the proportion of such production that can be attributed to India's declared civil reactors, given that India's military reactors produce some electricity for use in the civil sector. In addition, there must be an analysis as to whether imported uranium has affected the rate of production in India of nuclear explosive devices.

The report must also provide a detailed description of efforts and progress made toward the achievement of India's full participation in the

Proliferation Security Initiative and formal commitment to the Statement of Interdiction Principles of the PSI; public announcement of its decision to conform its export control laws, regulations, and policies with the Australia Group and with the Guidelines, Procedures, Criteria, and Controls List of the Wassenaar Arrangement; and effective implementation of these decisions.

Finally, this report requires information regarding the disposal during the previous year of spent nuclear fuel from India's civilian nuclear program, and any plans or activities relating to future disposal of such spent nuclear fuel.

Paragraph (3) allows the President to submit the aforementioned reports under Paragraph (2) with other annual reports. The report shall be unclassified but may contain a classified annex.

Section 105. United States Compliance with its Nuclear Nonproliferation Treaty Obligations.

Sec. 105 states that nothing in this title constitutes authority for any action in violation of an obligation of the United States under the NPT. As stated earlier in this report, the conferees consider the NPT to be the cornerstone of U.S. nuclear nonproliferation policy. They expect the Executive branch to keep its NPT obligations in mind when considering each export or reexport, transfer, or retransfer pursuant to an agreement for cooperation, and especially pursuant to such an agreement with a state that is not a State Party to the NPT.

Section 106. Inoperability of Determination and Waivers.

Sec. 106 states that a determination and any waiver under section 104 shall cease to be effective if the President determines that India has detonated a nuclear explosive device after the date of the enactment of this Act. The conferees intend this section to make absolutely clear a point that already follows from section 129 of the Atomic Energy Act (42 U.S.C. 2158). This title affords no waiver from section 129 for an Indian nuclear detonation after July 18, 2005.

Section 107. MTCR Adherent Status.

Section 107 is included to clarify the status accorded to India. Section 73 of the Arms Export Control Act (AECA) mandates sanctions on transfers of MTCR equipment or technology if the President determines that a foreign

person knowingly exports, transfers, or otherwise engages in the trade of any MTCR equipment or technology that contributes to the acquisition, design, development, or production of missiles in a country that is not an MTCR adherent and would be, if it were United States-origin equipment or technology, subject to the jurisdiction of the United States under the AECA; or if a foreign person conspires to or attempts to engage in such export, transfer, or trade; or if a foreign person facilitates such an export, transfer, or trade by any other person; or if the

President has made a determination with respect to a foreign person under section 11B(b)(1) of the Export Administration Act of 1979 (50 USC App. 2410b(b)(1)).

Section 73 of AECA is, however, inapplicable to MTCR adherents if the export in question is "any export, transfer, or trading activity that is authorized by the laws of an MTCR adherent, if such authorization is not obtained by misrepresentation or fraud" or if the export, transfer, or trade of an item is to an end user in a country that is an MTCR adherent (section 73(b)). Section 73 also provides for the termination of sanctions when an MTCR adherent takes steps toward effective judicial enforcement against persons violating the prohibitions in section 73, if such actions are "comprehensive" and are "performed to the satisfaction of the United States" and the findings of such proceedings are satisfactory to the United States (section 73(c)(1)(A) and (B) and section 73(c)(2)).

Secretary Rice has stated that "India would not be considered an 'MTCR Adherent' as defined under Section 73" because:

"India has committed to unilaterally adhere to the Missile Technology Control Regime (MTCR) Guidelines. The missile sanctions law would generally still apply to a 'unilateral adherent' to the MTCR.

Unilateral adherence to the MTCR Guidelines means that a country makes a unilateral political commitment to abide by the Guidelines and Annex of the MTCR. In particular, an MTCR unilateral adherent commits to control exports of missile-related equipment and technology according to the MTCR Guidelines, including any subsequent changes to the MTCR Guidelines and Annex. Inter alia, this means that MTCR unilateral adherent countries need to have in place laws and regulations that permit them to control the export of MTCR Annex equipment and technology consistent with the MTCR Guidelines.

An 'MTCR Adherent' is a specially defined status in terms of Section 73 of the Arms Export Control Act (also referred to as the missile sanctions law). An 'MTCR Adherent,' as defined in Section 73 of the missile sanctions law, is a country that 'participates' in the MTCR or that, 'pursuant to an international understanding to which the United States is a party, controls MTCR equipment and technology in accordance with the criteria and standards set forth in the MTCR.' India's 'unilateral adherence' to the MTCR would not meet this requirement."

Since India's unilateral adherence does not qualify it as an MTCR adherent under section 73 of AECA, the conferees included section 107 to clarify this point. While the provision accomplishes this, it is also drafted in such a manner as to permit India, should it so decide in the future, to enjoy the benefits of AECA section 73 by becoming a full adherent to the MTCR. Because the provision states a factual finding by Congress, the provision would no longer have effect if India were to meet the requirements laid out as in Secretary Rice's statement. Under section 107, however, India's transfers of missile or missile-related equipment, technology and technical data, remain for now subject to U.S. sanctions if they should violate subsection 73(a) of the AECA.

Section 108. Technical Amendment.

Sec. 108 is a technical amendment regarding Section 1112(c)(4) of the Arms Control and Nonproliferation Authorization Act of 1999 (title XI of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted into law by section 1000(a)(7) of Public Law 106-113 and contained in appendix G of that Act; 113 Stat. 1501A-486).

Section 109. United States-India Scientific Cooperative Nuclear Nonproliferation Program.

Section 109 authorizes the Secretary of Energy to establish a cooperative nuclear nonproliferation program to pursue jointly with scientists from the United States and India a program to further common nuclear nonproliferation goals, including scientific research and development efforts, with an emphasis on nuclear safeguards. The conferees believe that there are exciting opportunities for cooperative efforts between U.S. and Indian scientists and engineers in this area, and they hope that the two countries' civil nuclear power experts, in particular, will share new ideas and best practices for the benefit of all. Section 109 is not intended to create an

obligation for India to meet, but rather to open an avenue for increased cooperation on topics of concern to both countries.

Subsection (c) mandates that the Secretary of Energy enter into an agreement with the National Academies to develop recommendations for the implementation of the cooperative nonproliferation program. The National Academies, which include, inter alia, the National Academy of Sciences, the National Academy of Engineering, and the National Research Council, have a long and distinguished history of cooperation with Indian scientists and are skilled at building bridges to further joint efforts. The conferees encourage the Secretary of Energy to arrange for this National Academies assistance in the coming months, even if funds for the cooperative program cannot be appropriated until fiscal year 2008.

Section 110. Definitions.

Section 110 defines terms used in this Act.

Title II— UNITED STATES ADDITIONAL PROTOCOL IMPLEMENTATION

Title II is a Senate provision, based almost entirely upon S. 2489, the U.S. Additional Protocol Implementation Act, reported by the Senate Committee on Foreign Relations on April 3, 2006, in Senate Report 109-226. It implements the Additional Protocol between the United States and the International Atomic Energy Agency (T. Doc. 107-7), to which the Senate gave advice and consent to ratification on March 31, 2004.

The Senate adopted amendments to the S. 2489 text when it was debated as title II of this bill, and the conferees recommend a small number of further amendments. The conferees hereby incorporate by reference Senate Report 109-226, except where provisions were later amended either in the Senate or by the conferees.

Sections 252 and 253 were modified by the Senate, principally to require that location-specific IAEA environmental sampling not be permitted in the United States under Article 5 of the Additional Protocol unless the President has determined and reported to the appropriate congressional committees with respect to that proposed use of environmental sampling that the proposed use of location-specific environmental sampling is necessary to increase the capability of the IAEA to detect undeclared nuclear activities in a non-nuclear weapon state. The conferees are persuaded that the IAEA is unlikely to propose such sampling, given that

the United States, as a nuclear weapon state, is not barred from using fissile material for military purposes.

The conferees are further persuaded that these sections will not prevent the United States from fulfilling its obligations under the Additional Protocol. This is true even though section 254, also added by the Senate, limits the purposes that may be construed as covered by the phrase “necessary to increase the capability of the IAEA to detect undeclared nuclear activities in a non-nuclear weapon state.”

Subtitle F of title II, Protection of National Security Information and Activities, was added by the Senate. Section 261(a) provides that no current or former Department of Defense or Department of Energy location, site, or facility of direct national security significance shall be declared or be subject to IAEA inspection under the Additional Protocol. Similarly, under section 261(b), no information of direct national security significance regarding such locations, sites, or facilities shall be provided under the Additional Protocol. These requirements parallel statements that Administration officials have made for several years regarding how the Additional Protocol’s national security exemption will be implemented.

Sections 261(c) and 261(d) provide that nothing in this title shall be construed to permit the communication or disclosure to the IAEA or IAEA employees of restricted data controlled by the provisions of the Atomic Energy Act of 1954 or of national security information and other classified information. These provisions parallel an understanding in the resolution of ratification approved by the Senate in 2004 that the Additional Protocol does not require any such disclosure. The conferees note that these provisions do not bar the Executive branch, however, from using any other authority that it may possess to provide classified information to the IAEA.

Section 262(a) provides that no national of a country designated by the Secretary of State under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) as a government supporting acts of international terrorism shall be permitted access to the United States to carry out an inspection activity under the Additional Protocol or a related safeguards agreement. Both the Additional Protocol and the underlying U.S.-IAEA safeguards agreement allow the United States to bar individual inspectors from engaging in inspections in the United States, and the United States has routinely exercised that right as appropriate. The conferees know of no occasion on which a national of a state sponsor of terrorism has conducted an IAEA inspection in this country.

Section 262(b) requires that IAEA inspectors be accompanied at all times by U.S. Government personnel when inspecting sites, locations, facilities, or activities in the United States under the Additional Protocol. The conferees understand that this provision will not require any change in current practices.

Section 262(c) provides that the President shall conduct vulnerability, counterintelligence, and related assessments not less than every 5 years to ensure that information of direct national security significance remains protected at all sites, locations, facilities, and activities in the United States that are subject to IAEA inspection under the Additional Protocol. The conferees understand that once this title is enacted, the Executive branch will resume such assessments.

Subtitle G of title II provides for several reports from the Executive branch.

Sections 271 through 273 provide for prior notice of sites, locations, facilities, and activities in the United States to be declared to the IAEA or removed from that status, along with the reasons for those decisions; and certification that the necessary security assessments have been conducted and appropriate measures taken to ensure that information of direct national security significance will not be compromised.

Section 274 provides for reports on: measures that have been or should be taken to achieve the adoption of additional protocols to existing safeguards agreements signed by non-nuclear-weapon States Party; and on assistance that has been provided or should be provided by the United States to the IAEA in order to promote the effective implementation of additional protocols to existing safeguards agreements signed by nonnuclear- weapon States Party and the verification of the compliance of such parties with IAEA obligations, with a plan for providing any needed additional funding. The conferees believe that the safeguards function is a vital element of U.S. nonproliferation policy and urge the Executive branch to maintain robust funding for U.S. assistance to the IAEA, taking into account the continuing need for improved safeguards in countries of concern, the additional safeguards load that the IAEA will have to bear when India begins to engage in large-scale civil nuclear commerce, and the likely advent of additional safeguards requirements as the world moves to increase nuclear power production.

Section 275 provides that the President shall notify Congress of any

notifications issued by the IAEA to the United States under Article 10 of the Additional Protocol. Article 10 says that the IAEA shall inform the United States of activities carried out under the Additional Protocol, including those in response to questions or inconsistencies the IAEA had brought to the attention of the United States, the results of those IAEA activities, and the conclusions that the IAEA has drawn. Article 10 notifications will take place at least annually.

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APPENDIX - 3

Note by Indian Scientists¹ on the Henry J. Hyde U.S.- India Peaceful Atomic Energy Cooperation Act of 2006.

Mumbai, December 15, 2006.

- 1) **Full co-operation in civilian nuclear energy has been denied to India:**
 - a) U.S. unwillingness to co-operate in the areas of spent-fuel reprocessing and uranium enrichment related to the full nuclear fuel cycle.
 - b) Denial of the nuclear fuel supply assurances and alternate supply arrangements mutually agreed upon earlier.
 - c) Limits co-operation in the GNEP programme. India will not be permitted to join as a technology developer but as a recipient state.
- 2) **India asked to participate in the international effort on nuclear non-proliferation, with a policy congruent to that of United States.**

The Hyde Act envisages (Section-109) India to jointly participate with the U.S. in a programme involving the U.S. National Nuclear Security Administration to further nuclear non-proliferation goals. This goes much

1. After a meeting with Atomic Energy Commission Chairman Anil Kakodkar in Mumbai on December 15, eminent nuclear scientists prepared a note on the Indo-U.S. nuclear deal and made certain recommendations to address their concerns.

beyond the IAEA norms and has been unilaterally introduced apparently without the knowledge of the Indian government. In addition, the U.S. President is required to annually report to the congress whether India is fully and actively participating in U.S. and international efforts to dissuade, isolate and if necessary sanction and contain Iran for its pursuit of indigenous efforts to develop nuclear capabilities. These stipulations in the Act and others pertaining to the Proliferation Security Initiative (PSI), the Wassenaar Arrangement, and the Australia Group etc. are totally outside the scope of the July 18th Agreement and they constitute intrusion into India's independent decision making and policy matters. India's adherence to MTCR is also unnecessarily brought in.

3) Impact on our Strategic Defence Programme

In responding to the concerns earlier expressed by us, the Prime Minister stated in the Rajya Sabha on August 17, 2006 that "we are fully conscious of the changing complexity of the international political system. Nuclear weapons are an integral part of our national security and will remain so, pending the elimination of all nuclear weapons and universal non-discriminatory nuclear disarmament. Our freedom of action with regard to our strategic programmes remains unrestricted. The nuclear agreement will not be allowed to be used as a backdoor method of introducing NPT type restrictions on India." And yet, this Act totally negates the above assurance of the PM.

In view of the uncertain strategic situation around the globe, we are of the view that India must not directly or indirectly concede our right to conduct future nuclear weapon tests, if these are found necessary to strengthen our minimum deterrence. In this regard, the Act makes it explicit that if India conducts such tests, the nuclear cooperation will be terminated and we will be required to return all equipment and materials we might have received under this deal. To avoid any abrupt stoppage of nuclear fuel for reactors which we may import, India and the U.S. had mutually agreed to certain alternative fuel supply options which this Act has totally eliminated out of consideration. Thus, any future nuclear test will automatically result in a heavy economic loss to the country because of the inability to continue the operation of all such imported reactors.

Furthermore, the PM had assured the nation that "India is willing to join any non-discriminatory, multilaterally negotiated and internationally verifiable Fissile Material Cut-off Treaty (FMCT), as and when it is concluded in the Conference on Disarmament." But, the Act requires the U.S. to

“encourage India to identify and declare a date by which India would be willing to stop production of fissile material for nuclear weapons unilaterally or pursuant to a multilateral moratorium or treaty.”

In his Rajya Sabha address, the PM had said, “Our commitment towards non-discriminatory global nuclear disarmament remains unwavering, in line with the Rajiv Gandhi Action Plan. There is no dilution on this count.” Unfortunately, the Act is totally silent on the U.S. working with India to move towards universal nuclear disarmament, but it eloquently covers all aspects of non-proliferation controls of U.S. priority, into which they want to draw India into committing.

In summary, it is obvious that the Hyde Act still retains many of the objectionable clauses in the earlier House and Senate bills on which the Prime Minister had clearly put forth his objections and clarified the Indian position in both Houses of Parliament. Once this Act is signed into law, all further bilateral agreements with the U.S. will be required to be consistent with this law.

As such, the Government of India may convey these views formally to the U.S. Administration and they should be reflected in the 123 Agreement.

Signatories:

Dr. H.N. Sethna, former Chairman, Atomic Energy Commission

Dr. M.R. Srinivasan, former Chairman, Atomic Energy Commission

Dr. P.K. Iyengar, former Chairman, Atomic Energy Commission

Dr. A. Gopalakrishnan, former Chairman, Atomic Energy Regulatory Board

Dr. A.N.Prasad, former Director, Bhabha Atomic Research Centre

Dr. Y.S.R. Prasad, former Chairman & Managing Director, Nuclear Power Corporation of India Limited

Dr. Placid Rodriguez, former Director, Indira Gandhi Centre for Atomic Research

APPENDIX - 4

President Signs U.S.-India Peaceful Atomic Energy Cooperation Act.

December 18, 2006.

The President: Thanks for coming. Welcome to the White House. Today, I have the honor of signing a bill that will strengthen the partnership between the world's two largest democracies. The relationship between the United States and India has never been more vital—and this bill will help us meet the energy and security challenges of the 21st century. I want to thank the Congress for delivering this historic bill to my desk. (Applause.) I'm look forward to signing it. (Laughter.)

The "Henry Hyde United States-India Peaceful Atomic Energy Cooperation Act" passed with strong bipartisan support. It is a fitting tribute to its sponsor and the man whose name it carries. During his 32 years in Congress, Chairman Hyde earned the respect of his colleagues on both sides of the aisle. I appreciate his effective and principled leadership. I wish him all the best in his retirement.

I'm proud to be joined here by Secretary of State Condi Rice. This bill would not have happened without her leadership. (Applause.) I thank very much the members of the Senate and the House who joined us up here, people from both parties who worked hard to get this bill passed: Senator Bill Frist, and Senator Dick Lugar, and Senator George Allen; Congressman Gary Ackerman, Frank Pallone, Joe Crowley, Thad McCotter. Thank you all for joining us. Thanks for your good work. (Applause.)

I appreciate our Ambassador, David Mulford, and wife Jeannie, for joining us. Thanks for your good work, Ambassador. I'm also proud to be joined by Ambassador Jassal. I want to thank you for coming, Ambassador. I thank the Indian American community leaders who are here today.

The Indian American community was vital to explaining this strategic bill to our fellow citizens. I appreciate so very much your carrying the message not only here at home, but in India. And I want you to know that your voice was very effective, and I welcome it. (Applause.)

The United States and India are natural partners. The rivalries that once kept our nations apart are no more — and today, America and India

are united by deeply held values. India is a democracy that protects rule of law and is accountable to its people. India is an open society that demands freedom of speech and freedom of religion. India is an important ally in the war against extremists and radicals. Like America, India has suffered from terrorist attacks on her own soil. And like America, India is committed to fighting the extremists, defeating their hateful ideology, and advancing the cause of human liberty around the world.

The United States and India are also working together to expand economic opportunities in both our countries. India's economy has more than doubled in size since 1991— and it is one of the fastest-growing markets for American exports. If you visit India today, you are going to see a lot of people using goods and services made by American companies. And that helps raise the standard of living not only in India, but here at home. Trade is good for both countries, and we're going to continue to work with India to promote free and fair trade.

In our meetings in Washington and in New Delhi, Prime Minister Singh, for whom I have a lot of respect, we discussed the importance of working together to meet the energy needs of our growing economies. We recognize that energy, clean energy is going to be important to the advancement of our economies. And on my visit to India earlier this year, we concluded an historic agreement that will allow us to share civilian nuclear technology and bring India's civilian nuclear program under the safeguards of the IAEA. This cooperation will help the people of India produce more of their energy from clean, safe nuclear power, and that, in turn, will help their economy grow. And it's in our interest that the Indian economy continue to grow. It helps make America more secure.

As part of the agreement, the United States and India have committed to take a series of steps to make nuclear cooperation a reality, and we're going to fulfill these commitments. The bill I sign today is one of the most important steps, and it's going to help clear the way for us to move forward with this process.

The bill is going to help us achieve four key goals.

First, the bill will help us strengthen cooperation between India and United States on one of the most important challenges in the 21st century, and that is energy. India is now the world's fifth largest consumer of energy - and its demand for electricity is expected to double by 2015. The United States has a clear interest in helping India meet this demand with nuclear

energy. By helping India expand its use of safe nuclear energy, this bill lays the foundation for a new strategic partnership between our two nations that will help ease India's demands for fossil fuels and ease pressure on global markets.

Second, the bill will help promote economic growth. This bill helps open a new important market for American businesses by paving the way for investment in India's civilian nuclear industry for the first time ever. This new trade will help American companies gain

new customers abroad, and create new jobs here at home.

Third, the bill will help make it possible for India to reduce emissions — and improve its environment. Today, India produces nearly 70 percent of its electricity from coal. Burnini coal produces air pollution and greenhouse gases - and as India's economy has grown, emission levels have risen, as well. We must break the cycle, and with nuclear power, we can. We can help India do so, and we can do so here at home by the use of nuclear power.

Nuclear power is the one source of energy that can generate massive amounts of electricity without producing any air pollution or greenhouse gases. And by sharing advanced civilian nuclear technology, we will help our friend, India, meet its growing demand for energy and lower emissions at the same time.

Finally, the bill will help keep America safe by paving the way for India to join the global effort to stop the spread of nuclear weapons. (Applause.) India has conducted its civilian nuclear energy program in a safe and responsible way for decades. Now, in return for access to American technology, India has agreed to open its civilian nuclear power program to international inspection. This is an important achievement for the whole world. After 30 years outside the system, India will now operate its civilian nuclear energy program under internationally accepted guidelines — and the world is going to be safer as a result.

The bill I'm about to sign is evidence of the growing bonds of trust between our two countries. Congress acted quickly and passed it with overwhelming bipartisan support. You know why? Because the American people have come to see India as a friend. (Applause.) And I view the Prime Minister as a trustworthy man and a friend. I appreciate Prime Minister Singh's leadership on this very important issue. I look forward to continuing to work with him to make civil nuclear cooperation a reality.

And now it is my honor to sign the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006. (Applause.)

(The Act is signed.) (Applause.)

END 10:56 A.M. EST

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APPENDIX - 5

U.S. President's Statement on H.R. 5682, the "Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006"

Washington (D.C), December 18, 2006

Today I have signed into law H.R. 5682, an Act containing the "Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006." The Act will strengthen the strategic relationship between the United States and India and deliver valuable benefits to both nations.

Section 103 of the Act purports to establish U.S. policy with respect to various international affairs matters. My approval of the Act does not constitute my adoption of the statements of policy as U.S. foreign policy. Given the Constitution's commitment to the presidency of the authority to conduct the Nation's foreign affairs, the executive branch shall construe such policy statements as advisory. Also, if section 104(d)(2) of the Act were construed to prohibit the executive branch from transferring or approving the transfer of an item to India contrary to Nuclear Suppliers Group transfer guidelines that may be in effect at the time of such future transfer, a serious question would exist as to whether the provision unconstitutionally delegated legislative power to an international body. In order to avoid this constitutional question, the executive branch shall construe section 104(d)(2) as advisory. The executive branch will give sections 103 and 104(d)(2) the due weight that comity between the legislative and executive branches should require, to the extent consistent with U.S. foreign policy.

The executive branch shall construe provisions of the Act that mandate, regulate, or prohibit submission of information to the Congress,

an international organization, or the public, such as sections 104, 109, 261, 271, 272, 273, 274, and 275, in a manner consistent with the President's constitutional authority to protect and control information that could impair foreign relations, national security, the deliberative processes of the Executive, or the performance of the Executive's constitutional duties.

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APPENDIX - 6

Fact Sheet issued by the White House on the "United States-India Peaceful Atomic Energy Cooperation Act".

Washington (D.C), December 18, 2006

Today, President Bush Signed The United States-India Peaceful Atomic Energy Cooperation Act. This Act will strengthen the partnership between the world's two largest democracies and help our countries meet the energy and security challenges of the 21st century.

This Act Is An Important Step That Will Help Allow Us To Share Civilian Nuclear Technology And Bring India's Civilian Nuclear Program Under The Safeguards Of The International Atomic Energy Agency. On his visit to India earlier this year, President Bush reached an historic agreement with Indian Prime Minister Singh, under which the United States and India committed to take a series of steps to make nuclear cooperation a reality. The bill the President signed today is one of the most important of these steps. Nuclear cooperation will help the people of India produce more of their energy from clean, safe civilian nuclear power, help both our economies grow, and make America more secure.

America And India Are United By Deeply Held Values. Our two great democracies are allies in the War on Terror, partners in global trade, and stewards of our environment. India is a democracy that protects the rule of law and is accountable to its people, and an open society that defends freedom of speech and freedom of religion.

The United States And India Are Working Together To Expand Economic Opportunities In Both Our Countries. India's economy has more than doubled in size since 1991, and it is one of the fastest-

growing markets for American exports. This trade is creating new jobs in America and raising the standard of living for millions throughout India. America will continue to work with India to promote free and fair trade - and fuel economic growth in both countries.

The United States-India Peaceful Atomic Energy Cooperation Act Will Help America Achieve Four Key Goals

- 1. This Act Will Help Strengthen Cooperation Between India And The United States On Energy, One Of The Most Important Challenges Of The 21st Century.** India is now the world's fifth largest consumer of energy, and its demand for electricity is expected almost to double by 2015. The United States has a clear interest in helping India meet this demand with nuclear energy. By helping India expand its use of safe, clean nuclear energy, this Act lays the foundation for a new strategic partnership between our two nations that will help ease India's demands for fossil fuels and ease pressure on global markets.
- 2. This Act Will Help Promote Economic Growth.** This Act helps open an important new market for American businesses by paving the way for investment in India's civilian nuclear industry for the first time. This new trade will help American companies gain new customers abroad and create new jobs here at home.
- 3. This Act Will Help Make It Possible For India To Reduce Emissions And Improve Its Environment.** Today, India produces nearly 70 percent of its electricity from coal. Burning coal produces air pollution and greenhouse gases, but nuclear power can generate massive amounts of electricity without producing any air pollution or greenhouse gases. By sharing advanced civilian nuclear technology, we will help India meet its growing demand for energy and lower emissions at the same time.
- 4. This Act Will Help Keep America Safe By Paving The Way For India To Join The Global Effort To Stop The Spread Of Nuclear Weapons.** India has conducted its civilian nuclear energy program in a safe and responsible way for decades. Now, in return for access to American technology, India has agreed to open its civilian nuclear power program to international inspection. After 30 years outside the system, India will now operate its civilian nuclear energy program under internationally accepted guidelines, and the world will be safer as a result.

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INDIA'S FOREIGN RELATIONS - 2006

SECTION - III

(i) CIVIL NUCLEAR ENERGY DEBATE

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060. List of Prescribed Substances under the Atomic Energy Act, 1962 as notified in the Gazette of India part II-Section 3 Sub-Section (ii).

Published on January 20, 2006.

THE SCHEDULE

Category - 0 : Nuclear materials, nuclear-related other materials, equipment and technology.

0A : Prescribed Substances

Note : Any radioactive material in Category 0A shall additionally attract the provisions of the Atomic Energy (Radiation Protection) Rules, 2004 made under the Atomic Energy Act, 1962 and the provisions of Section-16 of the Atomic Energy Act, 1962.

0A1 : Source Material

0A101 : Uranium containing the mixture of isotopes occurring in nature.

0A102 : Uranium depleted in the isotope 235.

0A103 : Thorium.

0A104 : Any of the foregoing in the form of metal, alloy, chemical compound, or concentrate or any substance.

0A105 : Any other material containing one or more of the foregoing.

Prescribed quantitative limits: as given below and in any period of 12 months:

a. : Uranium (containing the mixture of isotopes in nature) exceeding 100 kilograms.

b. : Depleted uranium (uranium depleted in the isotope 235 below that occurring in nature) exceeding 1000 kilograms.

c. : Thorium exceeding 1000 kilograms.

0A2 : Special Fissionable Material

0A201 : Plutonium-239.

- 0A202** : Uranium-233.
- 0A203** : Uranium enriched in the isotopes 235 or 233.
- 0A204** : Neptunium.
- 0A205** : Any material containing one or more of the foregoing.
- 0A206** : Such other fissionable material determined by the Central Government from time to time, but the term "special fissionable material" does not include source material.
- Note : Any quantity of special fissionable material is prescribed substance.*
- 0A3** : **Other Materials** : 'Other Materials' means non-nuclear materials for reactors, nuclear related dual-use materials indicated below and such materials as determined by the Central Government from time to time.
- 0A301** : Deuterium, heavy water (deuterium oxide) and any other deuterium compound, in which the ratio of deuterium to hydrogen atoms exceeds 1:5000, in quantities exceeding 5 kilograms of deuterium in one consignment or 25 kilograms of deuterium in any period of 12 months.
- 0A302** : Nuclear grade graphite / carbon, having a purity level better than 5 parts per million (ppm) boron equivalent and with a density greater than 1.5 gram/cc in quantities exceeding 30 metric tons in any period of 12 months.
- 0A303** : Zirconium with hafnium content of less than 1 part to 500 parts of zirconium by weight (i.e. less than 2000 ppm) in the form of metal, its alloys, compounds, manufactures thereof, waste or scrap of any of the foregoing.
- 0A304** : Beryllium, its compounds, alloys and its minerals / concentrates including Beryl but excluding:
- a. : beryllium windows used for x-ray machines and gamma ray detectors and
 - b. : beryl in the form of emeralds or aquamarines.
- 0A305** : Lithium enriched in the Lithium-6 (^6Li) isotope to greater than its natural isotopic abundance (i.e. more than 7.5%)

and the products or devices containing enriched lithium such as elemental lithium, alloys, compounds, mixtures containing lithium, manufactures thereof, waste or scrap of any of the foregoing.

- 0A306** : Niobium and Tantalum, their metals, alloys and minerals including columbite and tantalite.
- 0A307** : Titanium alloys having both of the following characteristics:
- a. : 'Capable of' an ultimate tensile strength of 900 MPa or more at 293 K (200C); and
- b. : In the form of tubes or cylindrical solid forms (including forgings) with an outside diameter of more than 75 mm.
- Technical note* : The phrase 'capable of' encompasses titanium alloys before or after heat treatment.
- 0A308** : Tritium, tritium compounds or mixtures containing tritium in which the ratio of tritium to hydrogen atoms exceeds 1 part in 1000, except when utilized in such quantities and for such purposes as for organic labelled compounds, Gas Filled Light Sources and as Tritiated Water for radiotracer studies.
- 0A309** : Hafnium: Hafnium metal, alloys containing more than 60% hafnium by weight, hafnium compounds containing more than 60% hafnium by weight, manufactures thereof, and waste or scrap of any of the foregoing.
- 0A310** : Radium-226 : Radium-226 (226Ra), radium-226 alloys, radium-226 compounds, mixtures containing radium-226, manufactures thereof, and products or devices containing any of the foregoing, except medical applicators and a product or device containing less than 0.37 GBq (10mCi) of Ra-226 in any form.
- 0A311** : Boron: Boron enriched in the Boron-10 (10B) isotope to greater than its natural isotopic abundance as follows: Elemental boron, compounds, mixtures containing boron, manufactures thereof, waste or scrap of any of the foregoing.
- 0A312** : Helium-3 : Helium-3 (3He), mixtures containing helium-3,

and products or devices containing any of the foregoing.

Note: A product or device containing less than 1gm of Helium-3 is excluded.

- 0A313** : Alpha-emitting radionuclides : Alpha-emitting radionuclides having an alpha half-life of 10 days or greater but less than 200 years, in the following forms:
- : Elemental;
 - : Compounds having a total alpha activity of 37 GBq per kg or greater;
 - : Mixtures having a total alpha activity of 37 GBq per kg or greater;
 - : Products or devices containing any of the foregoing.

Alpha emitters controlled by this item include:

Actinium-225	Actinium-227	Americium-242m
Californium-248	Californium-250	Californium-252
Californium-253	Californium-254	Curium-240
Curium-241	Curium-242	Curium-243
Curium-244	Einsteinium-252	Einsteinium-253
Einsteinium-254	Einsteinium-255	Fermium-257
Gadolinium-148	Mendelevium-258	Neptunium-235
Plutonium-236	Plutonium-237	Plutonium-238
Plutonium-241	Polonium-209	Polonium-210
Polonium-208	Radium-223	Thorium-228
Thorium-227	Uranium-230	Uranium-232

- 0A314** : *Titanium ores and concentrates (Ilmenite, Rutile and Leucosene)

- 0A315** : *Zirconium, its alloys and compounds and minerals/ concentrates including zircon

**Note : These items (0A314 and 0A315) shall remain prescribed substances only till such time the Policy on Exploitation of Beach Sand Minerals notified vide Resolution number 8/1(1)/97-PSU/1422 dated the 6th*

October, 1998 is adopted/revised/modified by the Ministry of Mines or till the 1st January 2007, whichever occurs earlier and shall cease to be so thereafter.

0B : Prescribed Equipment

0B001 : Nuclear Reactors; associated equipment, components, and systems specially designed, prepared, or adapted or used or intended to be used in such reactors as follows:

- a. : Complete nuclear reactors
- b. : Nuclear reactor vessels
- c. : Nuclear reactor fuel charging and discharging machines
- d. : Nuclear reactor control rods and equipment
- e. : Nuclear reactor pressure tubes
- f. : Zirconium tubes and assemblies of tubes in which hafnium to zirconium ratio is 1:500 or less
- g. : Primary coolant pumps
- h. : Nuclear reactor internals
- i. : Heat exchangers (steam generators) for use in the primary coolant circuit of a nuclear reactor
- j. : Neutron detection and measuring instruments for determining neutron flux levels within the core of a nuclear reactor

0B002 : Plants for processing, production, concentration, conversion or recovery of Prescribed Substances (such as uranium, plutonium, thorium, deuterium, heavy water, tritium, lithium); associated equipment, components and systems specially designed, prepared or adapted or used or intended to be used in such plants including but not limited to:

- a. : Plants for production or concentration of deuterium, heavy water-
 - 1. : Water - Hydrogen Sulphide Exchange Towers
 - 2. : Blowers and Compressors for hydrogen-sulphide gas circulation

3. : Ammonia-Hydrogen Exchange Towers greater than or equal to 35 m in height with diameters of 1.5 m to 2.5 m
 4. : Tower Internals and Stage Pumps
 5. : Ammonia Crackers with operating pressures greater than or equal to 3 MPa
 6. : Infrared Absorption Analyzers capable of 'on-line' hydrogen/ deuterium ratio analysis
 7. : Catalytic Burners for conversion of enriched deuterium gas into heavy water
 8. : Complete heavy water upgrade systems or columns therefore
- b. : Plants for the conversion of uranium
 - c. : Plants for the conversion of plutonium
 - d. : Tritium facilities or plants, and equipment therefor
 - e. : Lithium isotope separation facilities or plants, and equipment therefor
- OB003** : Plants for reprocessing of irradiated nuclear fuel and equipment, components and systems specially designed, prepared or adapted or used or intended to be used in such plants, including but not limited to:
- a. : Irradiated fuel element chopping machines designed for remote operation
 - b. : Dissolvers capable of withstanding hot and highly corrosive liquid for dissolution of irradiated nuclear fuel and which can be remotely loaded and maintained
 - c. : Solvent extractors and solvent extraction equipment resistant to the corrosive effect of nitric acid
 - d. : Chemical holding or storage vessels resistant to the corrosive effect of nitric acid
 - e. : Industrial equipment including assemblies and components as follows:

1. : High density (lead glass or other) radiation shielding windows
2. : Radiation hardened TV cameras, or lenses therefor
3. : 'Robots' or 'end effectors' specially designed for handling high explosives; and control units therefor
4. : Remote manipulators that can be used to provide remote actions in radiochemical separation operations or hot cells

OB004 : Plants for treatment, handling, storage and transportation of radioactive wastes from nuclear reactors or from plants for processing Source Materials or Special Fissionable Materials or from nuclear reprocessing plants; irradiated nuclear fuel; Special Fissionable Materials, and equipment specially designed, prepared, adapted, or intended to be used therefor.

OB005 : All systems, associated equipment, components for separation or enrichment of isotopes of uranium, plutonium, lithium or boron, other than analytical instruments, specially designed, prepared, adapted, used or intended to be used therefor as follows:

- a. : Gas centrifuges and assemblies and components specially designed or prepared for use in gas Centrifuges
- b. : Specially designed or prepared auxiliary systems, equipment and components for gas centrifuge enrichment plants
- c. : Specially designed or prepared assemblies and components for use in gaseous diffusion enrichment
- d. : Specially designed or prepared auxiliary systems, equipment and components for use in gaseous diffusion enrichment
- e. : Specially designed or prepared systems, equipment and components for use in aerodynamic enrichment plants
- f. : Specially designed or prepared systems, equipment and components for use in chemical exchange or ion exchange enrichment plants.

- g. : Specially designed or prepared systems, equipment and components for use in laser-based enrichment plants.
- h. : Specially designed or prepared systems, equipment and components for use in plasma separation enrichment plants.
- i. : Specially designed or prepared systems, equipment and components for use in electromagnetic enrichment plants.

0B006 : Plants for the fabrication of nuclear reactor fuel elements, and equipment specially designed or prepared therefor including but not limited to:

- a. : fully automatic pellet inspection stations specially designed or prepared for checking final dimensions and surface defects of the fuel pellets;
- b. : automatic welding machines specially designed or prepared for welding end caps onto the fuel pins (or rods);
- c. : automatic test and inspection stations specially designed or prepared for checking the integrity of completed fuel pins (or rods).

Item 'c' typically includes equipment for: 1) x-ray examination of pin (or rod) end cap welds, 2) helium leak detection from pressurized pins (or rods), and 3) gamma-ray scanning of the pins (or rods) to check for correct loading of the fuel pellets inside.

0B007 : Plants or systems for production, handling, storage and transportation of Radioisotopes in quantities exceeding 100 Curies (3.7×10^{12} Becquerel).

0B008 : Neutron generators including neutron chain reacting assemblies and fusion assemblies of all kinds for producing fissile materials

0C : **Technology**

Technology and software for the development, production or use of prescribed substances or prescribed equipment specified in 0A or 0B.

Note : The numbering system followed in this Schedule is in harmony with the numbering system followed in the Special Chemicals, Organisms, Materials, Equipment and Technology (SCOMET) List in Appendix - 3 of Schedule 2 of ITC (HS) Classification.

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061. Gazette Notification issued by the Department of Atomic Energy notifying the Resolution on “Guidelines for Nuclear Transfers (Exports)”.

Mumbai, February 1, 2006.

Under the provisions contained in clause (f) and (g) of Sub-Section (1) of Section 2 and Section 3 of the Atomic Energy Act, 1962 (No.33 of 1962), the Department of Atomic Energy has notified the revised list of ‘Prescribed Substances, Prescribed Equipments and Technology’ vide S.O. No.61(E) dated 20th January, 2006. Further, to regulate the exports of these items the Department of Atomic Energy has formulated a set of ‘Guidelines for Nuclear Transfers (Exports)’.

Export of prescribed substances, prescribed equipment or transfer of related technology to any country will be governed by the following guidelines and export controls shall apply to nuclear transfers to any country

Notes: Prescribed substance means any substance or material, including any mineral, which the Central Government may, by notification, prescribe being a substance which, in quantity or in concentration or both, in excess of the limits prescribed in this behalf in that notification, is or may be used, for the production or use of atomic energy or research into matters connected therewith. Prescribed substances contain source material, special fissionable material, and non-nuclear materials for nuclear reactor e.g. nuclear grade graphite and heavy water, and also include certain other materials (dual-use materials).

Prescribed equipment means any property which the Central Government may, by notification, prescribe, being a property which in its opinion is specially designed or adapted or which is used or intended to be used for the production or utilisation of any prescribed substance, or for

the production or utilisation of atomic energy, radioactive substances, or radiation, but does not include mining, milling, laboratory and other equipment not so specially designed or adapted and not incorporated in equipment used or intended to be used for any of the purposes aforesaid. Prescribed equipment includes nuclear reactors, fuel reprocessing plants, fuel fabrication plants, uranium enrichment plants, uranium & plutonium conversion facilities, heavy water production plants, and associated equipment specially designed, prepared, adapted or used or intended to be used in such plants / facilities, and also includes nuclear related dual-use equipment and components.

Technology means any information (including information embodied in software) other than information in the public domain, that is capable of being used in –

- (i) the development, production or use of any goods or software;*
- (ii) the development of, or the carrying out of, an industrial or commercial activity or the provision of a service of any kind.*

Explanation: When technology is described wholly or partly by reference to the uses to which it (or the goods to which it relates) may be put, it shall include services which are provided or used, or which are capable of being used, in the development, production or use of such technology or goods.

Exporter may refer to the Government of India notification on the prescribed substances and prescribed equipment for details.

A: SPECIFIC GUIDELINES

1. Prohibition of export for development of nuclear explosives

- (a) Export of any prescribed substance, prescribed equipment or related technology, to any country, for the development of nuclear explosive device or use in a nuclear explosive device shall be prohibited.
- (b) Export of any prescribed substance, prescribed equipment or related technology shall not be authorized when there is an unacceptable risk of diversion to the development of nuclear explosive device or use in a nuclear explosive device, or to acts of nuclear terrorism.
- (c) Transfer of the following items (prescribed substances and prescribed equipment) and related technology shall be authorized

only upon formal governmental assurances from recipients explicitly excluding uses, which would result in any nuclear explosive device.

- (i) source material, special fissionable material, nuclear grade graphite and heavy water;
- (ii) nuclear reactors, fuel reprocessing plants, fuel fabrication plants, uranium enrichment plants, uranium & plutonium conversion facilities, heavy water production plants, tritium recovery plants and associated equipment specially designed or adapted or used or intended to be used in such plants / facilities.

(For detailed clarification on items indicated in c(i) and c(ii), exporters may refer to Government of India notifications on prescribed substances, prescribed equipment and related technology)

2. Physical protection

- (a) All materials and facilities referred to under paragraph 1(c)(i) and 1(c)(ii) should be placed under effective physical protection to prevent unauthorized use and handling. The levels of physical protection to be ensured in relation to the type of materials, equipment and facilities, shall be as per the recommendations of Government of India or as agreed upon in the international conventions, to which India is a party.
- (b) The implementation of measures of physical protection in the recipient country is the responsibility of the Government of that country. However, the levels of physical protection on which these measures have to be based, shall be the subject of an agreement between the supplier and the recipient.
- (c) In each case special arrangements shall be made for a clear definition of responsibilities for the transport of items referred to under paragraph 1(c)(i) and 1(c)(ii).

3. Safeguards

- (a) IAEA safeguards should be applied to any material or equipment referred to under paragraph 1(c)(i) and 1(c)(ii) or related technology proposed to be exported to any country. Government of India shall authorize export of such items only when the IAEA safeguards arrangements are made or assured by the recipient country.

- (b) Transfer of items referred to in paragraph 1(c)(i) and 1(c)(ii) or related technology shall be authorized only when covered by IAEA safeguards as indicated in paragraph 3(a) above with duration and coverage provisions in the agreement as follows-
- (i) The duration of the agreement shall be related to the period of actual use of the item in the recipient State; and
 - (ii) That the provisions for terminating the agreement shall be formulated in such a way that the rights and obligations of the parties continue to apply in connection with supplied source material and special fissionable material and with special fissionable material produced, processed or used in or in connection with supplied source material and special fissionable material, equipment, facilities or non-nuclear material, until such time as the IAEA has terminated the application of safeguards thereto.

4. Government of India reserves the right to apply additional conditions of supply as a matter of national policy.

5. Special controls on sensitive exports

Government of India shall exercise restraint in the transfer of sensitive facilities, technology and material usable for nuclear weapons or other nuclear explosive devices.

6. Special controls on export of enrichment facilities, equipment and technology

With regard to a transfer of an enrichment facility, or technology therefor, the recipient nation should agree that neither the transferred facility, nor any facility based on such technology, will be designed or operated for the production of greater than 20% enriched uranium without the consent of the Government of India.

7. Controls on supplied or derived material usable for nuclear weapons or other nuclear explosive devices

Government of India shall in order to advance the objectives of these guidelines and to provide opportunities further to reduce the risk of proliferation, include, whenever appropriate and practicable, in agreements on supply of source material or special fissionable material or of facilities which produce material usable for nuclear weapons or other nuclear explosive devices, provisions calling for mutual agreement

between the Government of India and the recipient on arrangements for reprocessing, storage, alteration, use, transfer or retransfer of any material usable for nuclear weapons or other nuclear explosive devices involved.

8. Controls on retransfer

- (a) Government of India shall authorize the transfer of items referred to under paragraph 1(c)(i) and 1(c)(ii) or related technology only upon the recipient's assurance that in the case of:
 - (i) retransfer of such items or related technology, or
 - (ii) transfer of items indicated at 1(c)(i) and 1(c)(ii) derived from facilities or the materials originally transferred by the supplier, or with the help of equipment or technology originally transferred by the supplier; the recipient of the retransfer or transfer will have provided the same assurances as those required by the supplier for the original transfer.
- (b) In addition the consent of the Government of India should be required for:
 - (i) any retransfer of items referred to under paragraph 1(c)(i) and 1(c)(ii) or related technology.
 - (ii) any retransfer of enrichment, reprocessing or heavy water production facilities, equipment or related technology, and for any transfer of facilities or equipment of the same type derived from items originally transferred by the supplier; or
 - (iii) any retransfer of heavy water or material usable for nuclear weapons or other nuclear explosive devices.
- (c) To ensure the consent right as defined under paragraph 8(b), government to government assurances will be required for any relevant original transfer.

9. Non-proliferation Principle

Notwithstanding any other provisions of these Guidelines, Government of India shall authorize transfer of items or related technology identified in the lists only when the Licencing Authority is satisfied that the transfers would not contribute to the development of nuclear weapons or other nuclear explosive devices or be diverted to acts of nuclear terrorism.

B: GENERAL GUIDELINES

1. Export of any prescribed substance, prescribed equipment or related technology shall be permitted only against an export licence issued in this behalf unless export is prohibited. Each and every application shall be scrutinized on case-by-case basis and on the merit of each case. Notwithstanding the specific guidelines as applicable, the general guidelines will be applicable in all the cases and following relevant factors shall be taken into consideration while examining the applications for export licences.
2. Whether the recipient state has a relevant IAEA safeguards agreement in force;
3. Whether the equipment, materials, software, or related technology to be transferred is appropriate for the stated end-use and whether that stated end-use is appropriate for the end-user;
4. Whether the equipment, materials, software, or related technology to be transferred is to be used in research on or development, design, manufacture, construction, operation, or maintenance of any reprocessing or enrichment facility;
5. Whether governmental actions, statements, and policies of the recipient state are supportive of nuclear non-proliferation and whether the recipient state is in compliance with its international obligations in the field of nuclear related activities;
6. Whether the end-user has been engaged in clandestine or illegal procurement activities; and
7. Whether a transfer has not been authorized to the end-user or whether the end-user has diverted for purposes inconsistent with the Guidelines any transfer previously authorized.
8. Whether there is reason to believe that there is a risk of diversion to acts of nuclear terrorism.

C : CONDITIONS FOR TRANSFERS

In the process of determining that the transfer will not pose any unacceptable risk of diversion, exporter should obtain the following from the recipient and furnish the same along with export licence application to the Licencing Authority in the Department of Atomic Energy, Government of India:

- a. a statement from the end-user specifying the end-uses;
- b. a statement from the end-user specifying that the proposed transfer will be used only for the stated end-use;
- c. a statement from the end-user specifying end-use locations of the proposed transfers; and
- d. a statement from the end-user that neither the items, nor replicas, nor derivatives thereof shall be retransferred without the consent of the Government of India,
- e. an assurance explicitly stating that the proposed transfer, or any replica or derivatives thereof will not be used in the production, development or use in nuclear explosive device.
- f. a statement from the end-user specifying that he shall facilitate such verifications as are required by the Government of India. If an end-user refuses to allow such verifications, export licences to that end-user will be denied until such time as such verifications are conducted.

(V.P. Raja)

Additional Secretary to the Government of India

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062. Interview of Minister of State Anand Sharma with the daily *Tribune*.

New Delhi, February 20, 2006.

By Rajeev Sharma and Anita Katyal

[Mr. Anand Sharma, the new Minister of State for External Affairs, answers all kinds of questions and the phrase “no comments” does not seem to have entered his lexicon, at least not yet. Excerpts from an interview:]

Q: Will a nuclear energy cooperation deal be in our pocket by the time French President Jacques Chirac leaves India?

A: Well, we are very keen on closer cooperation with France and we do have a strategic relationship. We have an understanding on the civilian nuclear energy cooperation programme and the talks have progressed well.

Q: Are these talks at the level of the National Security Advisers of the two countries?

A: The NSAs definitely. And the two foreign offices. Surely we want it as a bilateral agreement. That would be a positive step forward in our overall endeavour keeping in view the July 18 agreement reached with the US and the subsequent talks which are going on. Eventually this will help in persuading the Nuclear Suppliers' Group (NSG) to remove all restrictions and allow India access to nuclear technology. And removal of these restrictions would give India access to all advantages and benefits which advanced nuclear weapon states have.

Q: What kind of restrictions you want to be removed?

A: We have to access fuel. We have to access the latest technology. We have been suffering from nuclear apartheid for the last three and a half decades. When we say advantages and benefits, that would be the same which the advanced nuclear States have. And then also we are conscious that when you have advantages and certain rights, then we will have the same duties and commitments towards safeguards which the nuclear states have.

Q: It is felt the nuclear deal is not going to be inked during the French President's visit. Your comments?

A: When two countries talk, they do not put a deadline. There is a broader agreement and the July 18 statement which Dr Manmohan Singh and Mr Bush signed received wide support.

Q: What are the bottlenecks in finalising the nitty-gritty of a nuclear deal with France?

A: Eventually even this will be linked to the overall endorsement of the NSG because France is also part of the NSG. We want an agreement with France which is an important P-5 country and a nuclear power.

Q: Coming to the Indo-US nuclear deal and the ongoing separation exercise pertaining to civilian and military nuclear facilities, two specific concerns have been raised: One, that India is throttling its long-term strategic programme on diktats of the US; two, that India will be compromising in a big way the secrecy of the separation exercise as the list would be debated openly by the US Congress. Your comments?

A: The very separation exercise mentioned in the July 18 agreement recognises that India has a strategic nuclear programme. In other words, it gives India a de facto nuclear weapon power status. I can only say what the Prime Minister has gone on record as saying that it will be India's right to list its facilities as civilian and certain facilities as strategic. That process is on. It is our sovereign right to make that separation. India will not compromise on the further development of its nuclear programme nor would it compromise with its strategic programme. I don't think that the secrecy of our nuclear programme will be compromised.

Secondly, there is no changing of the goalposts, either by the US or by India. It has to be within the defined parameters and in the spirit of the July 18 agreement. Let me tell you in this context that much of the reports are speculative.

Q: What about the concerns expressed by the Indian atomic establishment about the Indo-US nuclear deal? Are they on board? Is the US shifting its goalposts as alleged by AEC chief Anil Kakodkar?

A: They are very much on board. They were involved, very actively, before the July 18 agreement and they continue to be so. Anybody who talks of India making compromises on its long-term strategic programme is ill-informed. It is not correct.

Whenever the agreement is ready, it has to be to the full satisfaction of the scientific community and the bottomline is that India will not dilute or compromise its nuclear deterrent capacity as well as further development of the strategic programme.

And when we talk of the minimum nuclear deterrent, again we will determine what the minimum nuclear deterrent has to be. Nobody is going to tell us what our minimum nuclear deterrent should be like. We, that is the government, the security establishment and the nuclear establishment will determine what the minimum nuclear deterrent should be.

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063. Suo Motu Statement by Prime Minister Dr. Manmohan Singh in Parliament on Civil Nuclear Energy Cooperation with the United States.

New Delhi, February 27, 2006.

I rise to inform this august House of the status of discussions with the United States on civil nuclear energy co-operation. Substantive aspects of this are reflected in the Joint Statement of July 18, 2005 that US President Bush and I agreed upon during my visit to Washington DC last year. I would like to use this occasion to outline the context and core elements of the Joint Statement, before detailing the status of the ongoing negotiations.

Hon'ble Members are aware that our effort to reach an understanding with the United States to enable civil nuclear energy cooperation was based on our need to overcome the growing energy deficit that confronts us. As India strives to raise its annual GDP growth rate from the present 7-8% to over 10%, the energy deficit will only worsen. This may not only retard growth, it could also impose an additional burden in terms of the increased cost of importing oil and natural gas, in a scenario of sharply rising hydrocarbon prices. While we have substantial reserves of coal, excessive dependence on coal-based energy has its own implications for our environment. Nuclear technology provides a plentiful and non-polluting source of power to meet our energy needs. However, to increase the share of nuclear power in our energy mix, we need to break out of the confines imposed by inadequate reserves of natural uranium, and by international embargos that have constrained our nuclear programme for over three decades.

Established through the vision of Pandit Jawaharlal Nehru and sustained by the commitment of scientists like Dr. Homi Bhabha, our nuclear programme is truly unique. Its uniqueness lies in the breadth of its overarching vision: of India mastering a three-stage nuclear programme using our vast thorium resources, and mastering more complex processes of the full nuclear fuel cycle. Consequently, our civilian and strategic programmes are deeply intertwined across the expanse of the nuclear fuel cycle. There are hardly any other countries in a similar situation. Over the years, the maturation of our nuclear programme, including the development of world-class thermal power reactors, has made it possible to contemplate some changes. These are worth considering if benefits include gaining unhindered access to nuclear material, equipment, technology and fuel from international sources.

However, international trade in nuclear material, equipment and technologies is largely determined by the Nuclear Suppliers' Group (NSG)—an informal group of 45 countries. Members include the United States, Russia, France and the United Kingdom. India has been kept out of this informal arrangement and therefore denied access to trade in nuclear materials, equipment and various kinds of technologies.

It was with this perspective that we approached negotiations with the United States on enabling full civilian nuclear energy cooperation with India. The essence of what was agreed in Washington last July was a shared understanding of our growing energy needs. In recognition of our improved ties, the United States committed itself to a series of steps to enable bilateral and international cooperation in nuclear energy. These include adjusting domestic policies, and working with allies to adjust relevant international regimes. There was also a positive mention of possible fuel supply to the first two nuclear power reactors at Tarapur. US support was also indicated for India's inclusion as a full partner in the International Thermonuclear Experimental Research Project and the Generation IV International Forum.

But more importantly, in the Joint Statement, the United States implicitly acknowledged the existence of our nuclear weapons programme. There was also public recognition that as a responsible State with advanced nuclear technologies, India should acquire the same benefits and advantages as other States which have advanced nuclear technology, such as the United States. The Joint Statement offered the possibility of decades-old restrictions being set aside to create space for India's emergence as a full member of a new nuclear world order.

On our part, as Hon'ble Members may recall from my suo motu statement on July 29 last year, we committed ourselves to separating the civilian and strategic programme. However this was to be conditional upon, and reciprocal to, the United States fulfilling its side of the understanding. I had stressed that reciprocity was the key and we expected that the steps to be taken by India would be conditional upon and contingent on action taken by the United States. I had emphasized then—and I reiterate today—that no part of this process would affect or compromise our strategic programme.

I now come to the negotiations that have taken place in the past few months. While these have been principally with the US, there have been discussions with other countries like Russia, UK and France as well. At the

political level, I have maintained contact with President Chirac of France, President Putin of Russia, Prime Minister Blair of the UK. I have also raised this subject with the Heads of State/Government of Norway, Republic of Korea, Netherlands, Czech Republic and Ireland - all members of the NSG. I also met President Bush in New York last September and discussed implementation of the July 18 statement. In the same period, several American Congressional leaders and policy-makers have visited India in the past few months, many of whom met me. We have amply clarified our objective in pursuing full civil nuclear energy cooperation for our energy security and to reassure them of India's impeccable non-proliferation credentials.

At the official level, we have constituted two groups comprising key functionaries concerned with strategic and nuclear matters. They included the Department of Atomic Energy, the Ministry of External Affairs, the Armed Forces and my Office. These two groups were respectively mandated to draw up an acceptable separation plan, and to negotiate on this basis. The directive given to both groups was to ensure that our strategic nuclear programme is not compromised in any way, while striving to enlarge avenues for full civil nuclear energy cooperation with the international community. The negotiations by our officials have been extensive and prolonged. These have focused on four critical elements: the broad contours of a Separation Plan; the list of facilities being classified civilian; the nature of safeguards applied to facilities listed in the civilian domain; and the nature and scope of changes expected in US domestic laws and NSG guidelines to enable full civilian nuclear energy cooperation with India.

Hon'ble Members may be assured that in deciding the contours of a separation plan, we have taken into account our current and future strategic needs and programmes after careful deliberation of all relevant factors, consistent with our Nuclear Doctrine. We are among very few countries to adhere to the doctrine of 'No first Use'. Our doctrine envisions a credible minimum nuclear deterrent to inflict unacceptable damage on an adversary indulging in a nuclear first strike. The facilities for this, and the required level of comfort in terms of our strategic resilience have thus been our criterion in drawing up a separation plan. Ours is a sacred trust to protect succeeding generations from a nuclear threat and we shall uphold this trust. Hon Members may therefore be assured that in preparing a Separation Plan, there has been no erosion of the integrity of our Nuclear Doctrine, either in terms of current or future capabilities.

The Separation Plan that is being outlined is not only consistent with the imperatives of national security, it also protects our vital research and development interests. We have ensured that our three-stage nuclear programme will not be undermined or hindered by external interference. We will offer to place under safeguards only those facilities that can be identified as civilian without damaging our deterrence potential or restricting our R&D effort, or in any way compromising our autonomy of developing our three stage nuclear programme. In this process, the Department of Atomic Energy has been involved at every stage, and the separation plan has been drawn up with their inputs.

Therefore our proposed Separation Plan entails identifying in phases, a number of our thermal nuclear reactors as civilian facilities to be placed under IAEA safeguards, amounting to roughly 65% of the total installed thermal nuclear power capacity, by the end of the separation plan. A list of some other DAE facilities may be added to the list of facilities within the civilian domain. The Separation Plan will create a clearly defined civilian domain, where IAEA safeguards apply. On our part, we are committed not to divert any nuclear material intended for the civilian domain from designated civilian use or for export to third countries without safeguards.

Mr Speaker Sir, Negotiations are currently at a delicate stage. In our dialogue with our interlocutors, we have judged every proposal made by the US side on merits, but we remain firm in that the decision of what facilities may be identified as civilian will be made by India alone, and not by anyone else.

At the same time, we are not underestimating the difficulties that exist in these negotiations. There are complex issues involved. Several aspects of the nuclear programme lend themselves in the public discussions to differing interpretations, such as the Fast Breeder Programme or our fuel-cycle capabilities such as re-processing and enrichment requirements. The nature and range of strategic facilities that we consider necessarily outside safeguards constitute yet another example. We have however conveyed to our interlocutors that while discussing the Separation Plan, there are details of the nature and content of our strategic requirements that we cannot share. We will not permit information of national security significance to be compromised in the process of negotiation.

It is essential to recall that the July 18 Statement was not about our strategic programme. It was intended to be the means to expand our civilian nuclear energy capacities and thereby to help pave the way for faster

economic progress. In seeking to achieve this objective, we appreciate the need for patience to remove misperceptions that abound. I reiterate that India has an exemplary record on non-proliferation and this will continue to be so. All in all, one major achievement so far is that a change is now discernible in the international system. We believe that when implemented, the understandings reflected in the Joint Statement will give India its due place in the global nuclear order. The existence of our strategic programme is being acknowledged even while we are being invited to become a full partner in international civil nuclear energy cooperation.

I must emphasize that the nation is justly proud of the tremendous work of our nuclear scientists and the Department of Atomic Energy in mastering all the key aspects of the full nuclear fuel cycle, often under difficult circumstances. The tremendous achievements of our scientists in mastering the complete nuclear fuel cycle - the product of their genius and perseverance – will not be frittered away. We will ensure that no impediments are put in the way of our research and development activities. We have made it clear that we cannot accept safeguards on our indigenous Fast Breeder Programme. Our scientists are confident that this technology will mature and that the programme will stabilize and become more robust through the creation of additional capability. This will create greater opportunities for international cooperation in this area as well. An important reason why the US and other countries with advanced nuclear technologies are engaging with India as a valued partner is precisely because of the high respect and admiration our scientists enjoy internationally, and the range and quality of the sophisticated nuclear programme they have managed to create under the most difficult odds. This gives us confidence to engage in these negotiations as an equal partner.

As I said, many aspects of the proposed separation plan are currently under negotiation. It is true that certain assurances in the July 18 Statement remain to be fulfilled – the supply of imported fuel for Tarapur I and II, for one. Some elements, such as US support for India's participation in the ITER programme, have materialized. The issue of the nature of safeguards to be applied to facilities designated civilian also remains pending resolution. I seek the indulgence of this House not to divulge every single detail of the negotiations at this time. However, this august House can be assured that the limits are determined by our overarching commitment to national security and the related issue of the autonomy of our nuclear programme. Our Government will take no step that could circumscribe or cast a shadow over either.

I am aware that concerns have been raised over information being shared with outsiders, but not with our own citizens. Members may be assured that nothing that could compromise our nuclear deterrent has been shared with anyone. On this aspect there is no reason for concern or doubt.

Mr Speaker Sir, As I said at the outset, our approach is defined by the need to utilize the window of opportunity before us, to find a solution to our energy deficit. We have also been guided by the need to dismantle international restrictions, which, when achieved, could unleash our scientific talent and increase commercial potential in the nuclear and related sectors. The nation will be kept informed, through this august House. Thank you.

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064. Suo Motu Statement by Prime Minister Dr. Manmohan Singh on discussions on Civil Nuclear Energy Cooperation with the US: Implementation of India's Separation Plan.

New Delhi, March 7, 2006.

In my Statement on February 27, 2006, I had provided an assurance that this august House will be informed of developments in our discussions with the United States on separation of our civilian and military nuclear facilities. I now inform this august House of developments since my suo motu statement of 27 February.

The President of the United States, His Excellency Mr. George W. Bush visited India between March 1-3, 2006. His visit provided our two countries an opportunity to review progress made in deepening our strategic partnership since the Joint Statement issued during my visit to Washington last July. Our discussions covered the expansion of our ties in the fields of agriculture, economic and trade cooperation, energy security and clean environment, strengthening innovation and the knowledge economy, issues relating to global safety and security and on deepening democracy. Expanded cooperation in each of these areas will have a significant impact on India's social and economic development. The full text of the Joint Statement issued during President Bush's visit is placed on the Table of the House.

I have pleasure in informing the House that during President Bush's visit, as part of the process of promoting cooperation in civilian nuclear energy, agreement was reached between India and the United States on a Separation Plan. Accordingly, India will identify and separate its civilian and military nuclear facilities and place its civilian nuclear facilities under IAEA safeguards. Sir, I place on the Table of the House the Separation Plan that has been drawn up by India and agreed between India and the United States in implementation of the India-United States Joint Statement of July 18, 2005.

I would like to outline some salient elements of the Separation Plan:

- (i) India will identify and offer for IAEA safeguards 14 thermal power reactors between 2006-14. There are 22 thermal power reactors in operation or currently under construction in the country. Fourteen of these will be placed under safeguards by 2014 in a phased manner. This would raise the total installed thermal power capacity in Megawatts under safeguards from 19% at present to 65% by 2014. I wish to emphasize that the choice of specific nuclear reactors and the phases in which they would be placed under safeguards is an Indian decision. We are preparing a list of 14 reactors that would be offered for safeguards between 2006-14.
- (ii) We have conveyed that India will not accept safeguards on the Prototype Fast Breeder Reactor (PFBR) and the Fast Breeder Test Reactor (FBTR), both located at Kalpakkam. The Fast Breeder Programme is at the R&D stage. 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.
- (iii) India has decided to place under safeguards all future civilian thermal power reactors and civilian breeder reactors, and the Government of India retains the sole right to determine such reactors as civilian. This means that India will not be constrained in any way in building future nuclear facilities, whether civilian or military, as per our national requirements.
- (iv) India has decided to permanently shut down the CIRUS reactor, in 2010. The fuel core of the Apsara reactor was purchased from France, and we are prepared to shift it from its present location and make it available for placing under safeguards in 2010. Both CIRUS and

Apsara are located at the Bhabha Atomic Research Centre. We have decided to take these steps rather than allow intrusive inspections in a nuclear facility of high national security importance. We are determined that such steps will not hinder ongoing Research and Development.

- (v) Reprocessing and enrichment capabilities and other facilities associated with the fuel cycle for our strategic programme have been kept out of the Separation Plan.
- (vi) One of the major points addressed in the Separation Plan was the need to ensure reliability of fuel supplies, given our unfortunate past experience with regard to interruption in supply of fuel for Tarapur. We have received commitments from the United States for the reliable supply of fuel to India for reactors that will be offered for safeguards. The United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for such reactors. Under the July 18 Joint Statement, the United States is committed to seeking agreement from its Congress to amend domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international market for nuclear fuel, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations. This has been reflected in the formal understandings reached during the visit and included in the Separation Plan.
- (vii) To further guard against any disruption of fuel supplies for India, the United States is prepared to take other additional steps, such as :
 - a) Incorporating assurances regarding fuel supply in a bilateral U.S.-India agreement on peaceful uses of nuclear energy which would be negotiated.
 - b) The United States will join India in seeking to negotiate with the IAEA an India-specific fuel supply agreement.
 - c) The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
 - d) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene

a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.

In light of the above understandings with the United States, an India-specific safeguards agreement will be negotiated between India and the IAEA. In essence, an India-specific safeguards agreement would provide: on the one hand safeguards against withdrawal of safeguarded nuclear material from civilian use at any time, and on the other permit India to take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. Taking this into account, India will place its civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate safeguards agreement to this end with the IAEA. In the terms of the Separation plan, there is hence assurance of uninterrupted supply of fuel to reactors that would be placed under safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. The House can rest assured that India retains its sovereign right to take all appropriate measures to fully safeguard its interests.

During my Suo Motu Statements on this subject made on July 29, 2005 and on February 27, 2006, I had given a solemn assurance to this august House and through the Honorable members to the country, that the Separation Plan will not adversely effect our country's national security. I am in a position to assure the Members that that this is indeed the case. I might mention:

- i) that the separation plan will not adversely effect our strategic programme. There will be no capping of our strategic programme, and the separation plan ensures adequacy of fissile material and other inputs to meet the current and future requirements of our strategic programme, based on our assessment of the threat scenarios. No constraint has been placed on our right to construct new facilities for strategic purposes. The integrity of our Nuclear Doctrine and our ability to sustain a Minimum Credible Nuclear Deterrent is adequately protected. Our nuclear policy will continue to be guided by the principles of restraint and responsibility.
- ii) The Separation Plan does not come in the way of the integrity of our three stage nuclear programme, including the future use of our thorium reserves. The autonomy of our Research and Development activities in the nuclear field will remain unaffected. The Fast Breeder

Test Reactor and the Prototype Fast Breeder Reactor remain outside safeguards. We have agreed, however, that future civilian Thermal power reactors and civilian Fast Breeder Reactors would be placed under safeguards, but the determination of what is civilian is solely an Indian decision.

As I mentioned in my Statement on February 27, the Separation Plan has been very carefully drawn up after an intensive internal consultation process overseen by my Office. The Department of Atomic Energy and our nuclear scientific community have been associated with the preparation of the Separation Plan. The Chairman of the Atomic Energy Commission and the Principal Scientific Adviser to the Government of India were actively involved closely at every stage. I am in a position to assure the Hon'ble members that we have not permitted information of national security significance to be compromised in any way during the negotiations.

I believe that the significance of the July 18, 2005 Statement is the prospect it offers for ending India's nuclear isolation. It will open up prospects for cooperation not only with the US but with countries like Russia, France and other countries with advanced nuclear capabilities, including those from the NSG. The scope for cooperation in the energy related research will vastly expand, so will cooperation in nuclear research activities. India will be able to join the international mainstream and occupy its rightful place among the top countries of the nuclear community. There would be a quantum jump in our energy generating capacity with a consequential impact on our GDP growth. It also ensures India's participation as a full partner in cutting edge multilateral scientific effort in the nuclear field such as ITER and Generation IV Initiative.

Sir, successful implementation of the July 18 Joint Statement requires reciprocal actions by the United States as well as India. Steps to be taken by India will be contingent upon actions taken by the US. For our part, we have prepared a Separation Plan that identifies those civilian facilities that we are willing to offer for safeguards. The United States Government has accepted this Separation Plan. It now intends to approach the US Congress for amending its laws and the Nuclear Suppliers Group for adapting its Guidelines to enable full civilian cooperation between India and the international community. At the appropriate stage, India will approach the IAEA to discuss and fashion an India-specific safeguards agreement, which will reflect the unique character of this arrangement. Since such a safeguards agreement is yet to be negotiated it will be difficult to predict its

content, but I can assure the House that we will not accept any provisions that go beyond the parameters of the July 18, 2005 Statement and the Separation Plan agreed between India and the United States, on March 2, 2006. We are hopeful that this process will move forward in the coming weeks and months.

I would request Hon'ble Members to look at this matter through the larger perspective of energy security. Currently, nuclear energy provides only three per cent of our total energy mix. Rising costs and reliability of imported hydrocarbon supplies constitute a major uncertainty at a time when we are accelerating our growth rate. We must endeavor to expand our capabilities across the entire energy spectrum from clean coal and coal-bed methane, to gas hydrates and wind and solar power. We are actively seeking international partnerships across the board and are members of many international initiatives dedicated to energy. Indeed, at the end of my talks with President Bush, we announced Indian participation in two more programmes: the Future-Gen programme for zero emission thermal power plants and the Integrated Ocean Drilling Programme for gas hydrates.

The House will appreciate that the search for an integrated policy with an appropriate mix of energy supplies is central to the achievement of our broader economic or social objectives. Energy is the lifeblood of our economy. Without sufficient and predictable access, our aspirations in the social sector cannot be realized. Inadequate power has a deleterious effect in building a modern infrastructure. It has a direct impact on the optimal usage of increasingly scarce water resources. Power shortage is thus not just a handicap in one sector but a drag on the entire economy.

I believe that the needs of the people of India must become the central agenda for our international cooperation. It is precisely this approach that has guided our growing partnership with the United States. I would, in particular, draw attention to the launching of the Knowledge Initiative in Agriculture with a three year financial commitment to link our universities and technical institutions and businesses to support agricultural education, research, capacity building, including in the area of bio-technology. Our first Green Revolution benefited in substantial measure from assistance provided by the US. We are hopeful that the Knowledge Initiative on Agriculture will become the harbinger of a second Green Revolution in our country.

Sir, India and the United States have much to gain from this new partnership. This was the main underlying theme of our discussions during the visit of President Bush. The resumption of civilian nuclear energy cooperation would demonstrate that we have entered a new and more positive phase of our ties, so that we can finally put behind us years of troubled relations in the nuclear field. I am confident that this is a worthy objective that will receive the full support of this House.

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065. Speech of Minister of State Anand Sharma in the Rajya Sabha on civilian nuclear energy deal with the USA.

New Delhi, March 11, 2006.

Sir. The House is discussing a subject of great import. For the last few months, there has been an intense debate going on in this country, in America, and elsewhere in the world, about the engagement between India and the United States of America, ever since the July 18th Agreement, a statement between President Bush and the Prime Minister, Dr. Manmohan Singh. That statement talked of multi-dimensional cooperation between India and America, and the significant aspects, the features, being cooperation in the civilian nuclear energy field, in science and technology, cooperation between India and the United States of America in space technology, a Knowledge Commission on Agriculture, which was referred to here, and also, the CEO forum, which was set up amongst the leaders of the business community of the two countries.

Sir, this debate results from the *suo motu* statements of the Prime Minister made in both the Houses of Parliament, two statements which the hon. Prime Minister had made, one on the 27th of February, 2005 and the second on the 7th of March, 2005. Twenty-seventh February's statement was necessitated because, not only was there an on-going speculation, but also a lot of reactions emanating purely from speculative reports, and a campaign was on in the country, the campaign questioning the motives, questioning the intent, and also casting certain doubts, which was leading to misgivings and confusion. I must say, Sir, the statement of the Prime Minister helped in removing those misgivings, dispelled misapprehensions, if any, and this debate will help in a big way in informing our country as to

what this Government is doing, and what is the importance of the initiatives taken and the agreements reached. Sir, we believe in democracy. Parliament is the highest forum of discussion and debate in a democracy, and the Prime Minister had said very categorically that everything will be done in a transparent manner, and the Parliament shall be taken into confidence.

I was listening very intently to my distinguished friend, Shri Nilotpal Basu, for whom I have high regards, and I am sure, he will be joining us soon, and some of the other distinguished colleagues about a Parliamentary Committee to be formed, and this matter to be discussed. I fail to understand, Sir, after two statements in less than 10 days by the Prime Minister of the country, and in less than 10 days, after the visit of the President of the United States of America, after this Agreement has been reached, here, on Saturday, we are discussing this matter in great detail. There cannot be any other way for the Parliament and the people of this country being taken into confidence. The July 18th statement had defined the parameters of the Agreement between the two countries. Implicit in that was the recognition of India as a Nation, State, with advanced nuclear technology. A question has been raised here that we have not been given that recognition, we have not been recognised as a Nuclear State.

Sir, what does the very reference to the Separation Plan 'that there shall be a separation of the civilian nuclear facilities, the military nuclear facilities and the strategic nuclear assets' mean? That is an acceptance and acknowledgement. So, it is for all our friends to understand, very clearly, that this recognition, this acceptance was there from July 18 onwards. There were certain reciprocal steps which have been mentioned, and the Agreement which has been reached is in the spirit of that Statement, and also adhering to that reciprocity, there are certain steps which we have to take, and there are certain steps to be taken by the United States of America. If we have to determine a separation between the civilian and the strategic nuclear assets, they have to take this Agreement to the US Congress; they have to amend some laws, which, eventually, will, then, lead to change or amendments of the international laws in the international regimes, giving India access to the Nuclear Suppliers' Group, and also access to the technology and fuel. This is what India has achieved. Now, for anyone to say that there has been any compromise, any shift, would be a travesty of the truth. India did not start this journey a few months ago, or a few years ago, which has been claimed, very loudly, by our friends, especially in the BJP and the NDA, that was a journey which India began,

the quest soon after India's independence. The first Prime Minister of this country, Pandit Jawaharlal Nehru, was a great visionary. He could clearly recognise India's future needs, India's potential, and, along with Dr. Homi Bhabha, he set this nation on that path. I was saying in the other House a few minutes ago, Sir, that it is important to realise that it was in 1948 that India enacted the Atomic Energy Act, and it has been a long journey. There have been challenges, there have been setbacks, there have been achievements, achievements which have made this country proud, achievements which are there for anyone to see, especially when we realise that our nuclear establishment, our nuclear scientists had worked in a regime which was of denial and discrimination, a regime which had isolated our nuclear establishment; yet, they worked, they mastered the nuclear fuel cycle, they made India nuclear capable, and this country is proud of them. This country acknowledges what they have achieved.

Sir, when we look at the Agreements which have been reached, we have to look at them not from the current perspective, but we have to take a long-term view and the benefits or the advantages which that will bring, especially with regard to India's energy requirements, generation of nuclear energy. Now, it is a debatable issue, when our friends raised, some friends including Mr. Nilotpal Basu, that, whether India does need nuclear energy and whether that is a right approach, we have failed to meet the targets which we have set for ourselves upon the completion of the Eleventh Plan and the targets which have been set for the year 2020. I would agree with you; we have not been able to achieve the targets. Figures are there for anyone to see, and that is why it is all the more reason that we access this technology, we access the fuel so that the future targets which we have set for ourselves, we will be able to achieve.

Sir, when we talk a subject of this great national import, we have to clearly realise that whatever we say should reflect the broad national interest and national consensus. We must not be swept away by partisan political considerations to level accusations or to question the *bona fides* or the sincerity of a Government and the Prime Minister in reaching certain agreements. Sir, criticism is acceptable, but motivated accusations are not. As I was referring to the journey of this country and its achievements, it was way back in 1974, when India made its first statement by that peaceful but a very loud nuclear blast, the then Prime Minister, Shrimati Indira Gandhi, made it clear that India was committed to peaceful use of nuclear energy. As for a Government, led by a party which has this vision and this

commitment, even to insinuate that India's sovereign interests would be compromised in any manner would be unfortunate.

Sir, here, whatever is being done through this agreement, as I said, that is not only transparent but also takes care of India's national interests and security interests. The separation is India's sovereign determination. We have determined which facility is to be civilian and which facility is to be strategic asset. There was a speculation about the Fast Breeder Reactors and the Prototype Fast Breeder Reactors that all have been kept out. It is the Government of India, the nuclear establishment, which has determined which facility should go where. Yes, there is a talk: Why is there an India-specific arrangement or Safeguards Agreement to be negotiated with the IAEA? It is very clear. India falls in a different category, a unique category of its own. There are signatory countries and non-signatory countries to the NPT. There are weapon States and other signatories to the NPT. India is a non-signatory. That was a conscious decision, a principled decision taken in India's interest on merit, because India's leadership felt, and rightly so, that the Nuclear Non-Proliferation Treaty was discriminatory and unequal. When we negotiate we will negotiate with implicit recognition of our needs as a nuclear State which has been responsible, which has impeccable credentials that have been acknowledged on non-proliferation. There again, there is no capping. We have not agreed to cap our programme, to cap the future production of fissile material. There is no prohibition or restraint on India to build future nuclear reactor. It again will be determined by us for future reactors, which one is to be put under civilian and which one is to be put under military.

There has been talk of enlightened national interest which Nilotpal Basuji was mentioning and that it should merge with popular interest. He also commented in great detail on the other aspects of the relations, which I referred to earlier, about agriculture and the Joint Statement on Democracy Initiative Fund. I may just refer to these two aspects for the sake of record.

When we talk of Democracy Initiative it is not again that India is tilting away from its known position. Last year, it was the United Nations which have decided to set up the UN Democracy Fund. India and the United States of America are the two major contributors of that Fund. India's contribution is the same as that of the United States of America. But if you read the Agreement which has been reached and what was being referred to, there is some misunderstanding about it. That Democracy Fund is under the aegis of the United Nations.

This statement refers to if India and America were to come together to promote democracy. That is on the specific request of the concerned country. It is not that India and the United States of America will go to any country and decide what kind of regime they will have and what kind of democracy or structure they should have. The references which were there to President Bush's statement and some other US officials with regard to regime change and Iran, the Prime Minister has made it clear in this House that India does not subscribe to that. India take its own decisions; decisions which are in our sovereign interest; decisions which are in conformity with our stated policy positions; decisions which are independent and on a merit of the issue. For anybody to feel that India can be persuaded otherwise or influenced otherwise to take a position which does not take into account our own interests, our security needs and also the sovereignty of 1.1 billion people of this country, that impression is not correct. I can understand there are some deep-rooted suspicions or viewpoints which have been there in this country. We are a democracy. In a democracy, people have every right to their perception, to their viewpoint. Differing viewpoints in a democracy through such discussions and debates, eventually, help in a better understanding and evolving a national consensus which my friend, Shri Nilotpal Basu, was referring to. Yes, his was a very scholarly presentation. He made some very pertinent points. But India has always worked for a consensus. Our presence here and discussing this matter here is indicative or confirmation of this country's commitment and this Government's commitment to this Parliamentary institution and also to what we talk of evolving a national consensus in the national interest. So, enlightened national interest does not take us away from what initiatives the Government takes and there should not be any distinction when we talk of enlightened national interest as something which is different from what India has stated throughout.

Sir, there is also a reference about disarmament; that India had made a commitment to disarmament and whether the new arrangements, the new agreements take us away from that commitment and also that India being one of the heroes of the Third World movement, one of the leaders of the Third World movement which Shri Nilotpal Basu again referred to, that the countries look up to India, the countries in Asia, Africa and Latin America, India is mindful of that. India has not done anything which raises any doubts or questions about our commitment to that concept. Yes, India stood for disarmament. It was Shri Rajiv Gandhi who had, as Prime Minister, called for universal disarmament; total disarmament and a plan of action was presented to the United Nations. We remain committed to that. But

our exercising the nuclear option does not mean that we have withdrawn from disarmament commitment. With due respect to my friend, he also said that where is the need of a deterrent; that they have fundamental opposition to it. I fail to understand. This is not recognising the realities of the world in which we live. It is all right for France and the UK and Russia to have deterrents. It is perfectly legitimate for China to have a nuclear deterrent, but it is not in the interest of India to have a deterrent.

NILOTPAL BASU: Sir, I request him to yield for a moment. I was talking of global order, and I have no problem of India coming out of the nuclear isolation. My point was, what is there to celebrate in the co-option of India in this nuclear order which, according to our perception, is something that is discriminate.

SHRI ANAND SHARMA: I think this requires clarification for one reason that India has taken its own sovereign decision. It is not a question of India joining a club. It is a rightful claim of India which has been accepted; it was a rightful claim. And I do remember and recall the words very clearly when he said, "You are in fundamental opposition. The nuclear order came later. The nuclear deterrent issue also came up later." I have my notes here...(Interruptions)

SHRI NILOTPAL BASU: No; no; I am sorry. Sir, you can check the proceedings. I was hearing quietly; I was not objecting. But he has no business in putting words into my mouth. My point is, there is nothing to celebrate this...

MR. DEPUTY CHAIRMAN: Mr. Sharma, please go ahead.

SHRI ANAND SHARMA: Mr. Basu, if you want me to yield again, you are a good friend of mine, I can yield again to you. I will only say one thing. This is exactly what I was referring to. Yes; they are entitled to their viewpoint, entitled to oppose also, but not entitled to question our bona fides, question our integrity, question our patriotism and, again, our commitment to India's sovereign interests. Let me make it very clear to this House, to the people of this country, that this Government and this party which leads the coalition Government is as concerned and as committed, as any patriotic Indian would be, in safeguarding India's interests and India's Independence.

Sir, I will not go into the other details about the Separation Plan which has been tabled in this House. The Separation Plan again is a

document that has been worked out by the negotiators, which included representatives of the nuclear establishment. It is not for the civilians to work out what the Separation Plan was. But if it has the endorsement of the nuclear establishment, I think, we should not doubt that. They know what they are doing. It is to be done in a phased manner. And, by the time we reach that stage, India will be in a position to evaluate how the other countries have adhered to the reciprocity which has been committed to. There is no reason to doubt the complete access to the NSG, and also the technology and fuel for future. Nuclear energy is one area where differing views may be there. But this country will be required to move in that direction and also to ensure that in the 21st century, India is not left behind. By joining others, to be accepted by others as a responsible nation with advanced nuclear technology, where the scientists have not only mastered the fuel cycle but also when we look at the on-going Stage - III, for which thorium will be used, then, one has to say that it is the new nuclear order; which means that you are accepted. Sir, we were isolated. It is not a question of celebration, as you say. But, yes; as a nation, we should feel proud that we have been acknowledged; we have been accepted, and no terms have been dictated to us. It has been our sovereign determination...(Interruptions)

DR. MURLI MANOHAR JOSHI: It has been acknowledged not because of this, but because of the scientific progress...

SHRI ANAND SHARMA: I am not saying that is because of this...(Interruptions) That is what I am saying...

DR. MURLI MANOHAR JOSHI: So it has nothing to do with the document.

SHRI ANAND SHARMA: Mr. Deputy Chairman, Sir, I have just one thing to say about the couple of doubts which have been expressed about the Agriculture Knowledge Commission, issue. I was looking into the papers after what Nilotpal had said on the Agriculture Commission, whether it is in the interests of the country or not and, Sir, this is an agreement only on the setting up of the Agriculture Knowledge Initiative...

SHRI ANAND SHARMA: Sir, if I may say with your permission, just before I conclude, just to refer to this, it is US-India Knowledge Initiative on agriculture, education, teaching, research, services and commercial linkages. Now, what it refers to is about education, about research, about food processing, bio-technology and water management.

SHRI NILOTPAL BASU: Sir, I have an objection. Let him actually authenticate this document and place it on the Table of the House. This was the point I was making earlier also.

SHRI ANAND SHARMA: No, no.

SHRI NILOTPAL BASU: I mean, there is a joint action plan, to which only the members of the Government are privy. (Interruptions) And I think, in that sense, it is an unfair debate.

SHRI ANAND SHARMA: It is not unfair. The reference to the Knowledge Commission is very much there in the Prime Minister's statement. There is no other detail what the Knowledge Commission says, but... (Interruptions) It is very unfair. I did not expect that from you. I am just trying to be helpful in telling you...

SHRI NILOTPAL BASU: Why are you saying this? Everybody knows that there are separate documents, maybe signed, maybe unsigned. But we are not privy to that. We are saying that on an issue of such national importance, all that material should be available to the House so that every Member could take advantage of that. (Interruptions)

MR. DEPUTY CHAIRMAN: Mr. Prasad, please. (Interruptions) Please conclude.

SHRI ANAND SHARMA: Sir, I will only say one thing. (Interruptions) It is very important that on this issue there is no doubt left about this matter. We are not referring to a document. This Government does not work in an opaque manner. I am only saying that the reference to the Knowledge Commission, a detailed reference, was made in the Joint Statement of July, 18. And this reference to the Agriculture Commission was there... (Interruptions) Sir, this was there, if you go by the records, in July, in the statement which was made earlier. (Interruptions)

SHRI NILOTPAL BASU: No, Sir.

MR. DEPUTY CHAIRMAN: I cannot allow this to go in the House. (Interruptions) Whatever you wanted to say, you have said it. If the Minister wants to say, let him say. There is not question of a debate here between the two of you.

SHRI NILOTPAL BASU: Sir, there is no document with the Government which assigns...

MR. DEPUTY CHAIRMAN: Mr. Nilotpall Basu, you have made your point.

SHRI NILOTPAL BASU: But he is saying that there is no such document.

SHRI ANAND SHARMA: Sir, I have clarified it and whatever misgivings my friend has, those are based on unfounded speculation. It is not correct at all. But, yes, when we talk of Knowledge Commission on Agriculture, it has been...

SHRIMATI BRINDA KARAT: Sir, I need a clarification. Is the hon. Minister saying that there is no representation of Monsanto and Walmart on the Committee which has been formed?

SHRI ANAND SHARMA: I have not heard of that, Sir.

SHRIMATI BRINDA KARAT: Let him consult his own Agriculture Minister.

MR. DEPUTY CHAIRMAN: That can be a separate issue. We cannot start the debate again. Please conclude.

SHRI ANAND SHARMA: Sir, nothing of the sort... (Interruptions)

SHRI NILOTPAL BASU: Then, unfortunately, as a Minister, he should not say that we are going by speculation. This is a very serious charge.

SHRI ANAND SHARMA: This is not a charge. There is no need to get worked up. You are making so many allegations (Interruptions) I am only saying that this is not the first time. In every statement, the reference has come. There is no further information. What my hon. friends are referring to, no such detail has come to my notice and I am not in a position to confirm what you are saying. So, what is being done... (Interruptions)

SHRI NILOTPAL BASU: Then say that. Don't say that we are speculating.

SHRI ANAND SHARMA: Sir, with all respect to our friends...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: Sir, we are only observing.

SHRI NILOTPAL BASU: You will keep on observing. ... (Interruptions)...

MR. DEPUTY CHAIRMAN: Don't provoke him.

SHRI ANAND SHARMA: Sir, I am only saying that I am here being advised what to say and what not to say. I will say what the Government has to say, what is true, what is in the interest of this country. Finally, I am making it abundantly clear that we believe in transparency and accountability. We understand our responsibility. That is why we are having this debate; that is why we have had not one, two statements by the Prime Minister of this country. Thank you, Sir.

F F F F F

066. Reply by the Prime Minister in the Lok Sabha to the debate on Civil Nuclear Energy Cooperation with the United States.

New Delhi, March 11, 2006

Sir, we are dealing with an issue which is of great importance to the future of our country. I had promised the hon. House that we will come before Parliament, to share with Parliament and through Parliament, with the public opinion at large, the pros and cons of this nuclear and other related issues which figure in the joint statement issued after the visit of President Bush.

Sir, on three occasions, I have made statements in this House as well as in the other House. They were on 29th July last year, 27th February this year and on the 7th March this year. That is a measure of our commitment to a proper accountability and transparency in dealing with a very sensitive and important issue in our country. I have listened carefully to the views of the hon. Members of this august House on discussions with the US on civilian nuclear energy in the larger context of Indo-US relations. I thank the hon. Members for their views on this very important subject.

Sir, one important comment made by Shri C.K. Chandrappan and Shri Rupchand Pal was an expression of fear. Their fear was that, by entering into this arrangement with the United States of America, are we losing a sense of focus and direction in pursuit of an independent foreign policy?

Sir, I have said on more than one occasion that our Foreign Policy which is routed in our civilisational heritage and also in pursuit of our

enlightened national interest is what guides us in dealing with various countries. The United States of America is a global power. Their interests do not all the time converge with India's interests. But there are opportunities, there are occasions when our interests do converge and I believe that it is the duty of any Government of India to take advantage of all those opportunities which widen the development options that become available to us. That is precisely what we have done in dealing with the United States of America.

I wish to assure the hon. House that while we have been working towards strengthening our relations with the United States of America, we have not forgotten our traditional strategic partners. For example, today our relations with Russia are warmer and stronger than ever before; our relations with France today are stronger and warmer; today our relations with China are stronger and warmer.

Even today while the House is meeting, our two Special Representatives are discussing the issues of boundary settlement. We have used the space that is open to us to increase our engagements with the countries of South-East Asia, with Japan and Korea. That is how it should be.

I can assure this hon. House that pursuit of India's enlightened national interest is the dominating concern and it is this concern which has guided us in dealing with the United States.

It is certainly true that although an important component of this Agreement with the United States deals with the civilian nuclear energy, there are also other important initiatives listed in the Joint Statement. There is the knowledge initiative in the field of agriculture. What does it involve? It involves the use of technical knowledge, experience and expertise available in the United States of America to upgrade the quality of agricultural research and extension services in our country, particularly through the medium of various agricultural universities and agricultural research institutes. I do not know why there should be any objection to that.

It is a fact that when the first Green Revolution came to our country, it was the work essentially of great American scientists, like Norman Borlaug, which helped us. The United States, particularly the Lagrange colleges of the United States of America played a major role in helping us to set up major agricultural universities and that is how the Green Revolution came about in our country. For the last many years our agricultural productivity

has reached a plateau. We need a second Green Revolution and we need new technologies to upgrade and enhance our agricultural productivity. If there is, in the United States, knowledge which can help us in that process, I do not see any harm in making use of that. Cooperation in science and technology in globalised world is becoming increasingly a necessary tool of widening our development options.

If we are serious about dealing with the productivity stagnation in Indian agriculture, then, I am certainly prepared to look at wherever facilities or technologies exist which can upgrade our technology skills. I do not see we are doing anything which hurts the interests of our country.

Once a reference has been made about the CEOs meeting. It is certainly true that when I met President Bush in July, we had a discussion about increased requirements of India for capital from abroad. He said to me: "Well, we are not in the business of giving aid. But there is a lot of private capital." I would like the US influence to be so exercised that they do recognise the importance of India as a major recipient of these capital flows. He said: "Maybe, we should set up a small group of five people from the United States, five people from India. Let them work out a strategy which will ensure that the private sector in both the countries would become more aware of the possibilities of mutually beneficial cooperation." Out of that came a report. That report is now a public document. I have no hesitation, in due course of time, in placing it on the Table of the House.

These are various suggestions. We will examine them. If there is any action which is required to implement any of those suggestions, that action will be taken taking full advantage of the laws, procedures that we have in this country. But I have no hesitation in making that report available to the House and I will do that. Some of those suggestions are like this. For example, there is a suggestion about Mumbai becoming a major international financial centre. I think, I myself, when I was the Governor of the Reserve Bank of India, floated this idea way back in the early 1980s. It has not become a reality. I do believe that there is a lot of merit in that proposal now, particularly when we have removed most of the exchange controls while our requirements of capital are increasing day by day. This is one of the suggestions coming from the CEOs' group. We will examine them in accordance with our rules, in accordance with our procedure and in accordance with our laws. Therefore, there should be no reason for anyone to doubt that anything will be done at the back of Parliament or that we will do anything which would hurt the interests of the country as a whole.

Mr. Speaker, Sir, I now come to the civilian nuclear energy cooperation. What is the background of what we have done? Our economy is now growing at the rate of 7 to 8 per cent per annum. It is our ambition to ensure that we grow at the rate of 8 to 10 per cent. I do believe that the savings and the investment profile of our country point to 10 per cent growth rate becoming a feasible proposition.... (Interruptions) But it is one thing to have savings; it is another to have energy security. I have calculated - and this is corroborated by expert advice - that if our economy grows by one per cent, we need the additional supply of commercial energy of one per cent. If our economy has to grow at the rate of 10 per cent per annum, we need the supply of commercial energy also to increase at 10 per cent per annum.

We are today excessively dependent on import of hydrocarbons from the Middle-East, from West Asia to meet our requirements of commercial energy. We consume normally about 110 million tonnes of oil and we produce no more than 30 million tonnes. This dependence on the outside world is going to increase. There are obvious uncertainties both with regard to supply as well as with regard to prices of hydrocarbons in the world market to which I do not have to go right now.

We have, of course, plentiful reserves of coal but our coal has high ash content and excessive use of coal also runs into the problems of environmental hazards with the growing concerns about Co2 emissions and the global warming concerns that are now on the horizon. In this background, I think it is to our advantage that we should have additional options with regard to meeting our needs of commercial energy. Nuclear energy offers one such option. It increases our elbow room to manage our quest for our energy security. There are problems with regard to increasing energy consumption via the nuclear route. When I was Secretary in the Ministry of Finance some thirty years ago, I was a member of the Atomic Energy Commission. It was at that time the Atomic Energy Commission had set before the country a target of 10,000 megawatts production capacity. We are today in the year 2006. Our installed capacity is probably 3,000 megawatts. This is not because our scientists are not capable. They are exceedingly well-motivated. They operate on the frontiers of knowledge. They have given a very good account of themselves under very difficult conditions of nuclear apartheid and we all feel very proud of their attainment. But, there are certain harsh facts. We have run into problems with regard to the availability of raw materials. We have run into problems because since 1974 the world community, the dominant countries have erected a regime, which restricts our options in meeting the requirements of our atomic energy whether

reactors or fuels by way of inputs. This has hurt our energy programme and that is why in spite of the ambitions that we have had to add to nuclear capacity, we have not been able to do so.

I am not saying that imports are the only route. But, the availability of import, the removal of restrictive international trading regimes, which restricts our options with regard to trade in nuclear materials and nuclear technologies, will certainly increase the maneuverability of our country in meeting the challenge of energy security. That is why when President Bush and I discussed this matter, he told me that this is one area where he recognised India needs a reversal of the attitude of the United States. But, he also said to me that the United States and other members of the Nuclear Suppliers Group are not going to help us to build nuclear bombs. I said that is perfectly reasonable, I do not expect the world to do so. So, that is how this idea of separation of the civilian sector and the strategic sector was evolved. What we have done with the United States, is not an agenda for dealing with strategic cooperation. It is basically a quest to promote cooperation between India and the members of the Nuclear Suppliers Group in meeting India's requirements of commercial energy

What I do claim as a plus point for our Government is that while doing this deal to increase our options with regard to meeting all the commercial energy requirements of our country, we have not compromised our autonomy with regard to our strategic programme. This has not been discussed with the United States. We have not agreed to any formula or any proposal which would amount to a cap on our nuclear programme. I have taken full care about it. I had the advice of our atomic scientists and I had the advice of our Armed Forces in working out India's requirement of what would constitute a critical minimum deterrent. We have made sure that we have taken care of India's present requirements and future requirements, as far as possible humanly. Therefore, the country should have the assurance that we have not compromised, in any way, when it comes to India's strategic nuclear programme. We have not accepted a cap on that nuclear programme. That decision will have to be made by the Government of India, taking into account the security concerns of our nation and we are alone competent to judge what is desirable and what is not desirable. This is the essence of the arrangement that we have made with the United States of America.

Sir, several issues have been raised with regard to the nuclear agreement. Shri Kharabela Swain mentioned that we have accepted a cap

on our strategic nuclear capabilities. I have already mentioned that that is not the case. We have been asked if we have ensured availability of sufficient fissile material and other inputs for our strategic programme. Let me reassure this House that the Separation Plan has been drawn up in such a manner that it will not adversely affect our strategic programme. There is no question of India accepting a cap on our deterrent potential. Based on assessment of threat scenario, Government have ensured that there would be adequate availability of fissile material and other inputs to meet both current and future requirements of our strategic programme.

The Separation Plan does not, in any way, undermine the integrity of our Nuclear Doctrine. This Doctrine stipulates a credible minimum deterrent based on a policy of 'no-first-use' and the assured capability of inflicting unacceptable damage on an adversary indulging in a nuclear first strike. The Separation Plan will not limit our option either now or in the future to address evolving threat scenarios with appropriate responses consistent with our nuclear policy of restraint and responsibility.

Sir, questions have also been raised regarding safeguards in perpetuity. I believe Shri Swain referred to it and he also said that assurances for supply have been given by the United States bilaterally while safeguards will be with the International Atomic Energy Agency multilaterally. So, he asked as to how we reconcile and ensure that India's interests are effectively protected. Under the last year's July Statement, India agreed to identify and separate civilian and military facilities and put civilian nuclear facilities under safeguards. The Separation Plan provides for an India-specific safeguards agreement to be negotiated with the International Atomic Energy Agency.

People ask, why is it India specific safeguards? Because it is certainly true that we are not a member of the NPT nuclear powers so we are not in those P5. But we are also not in this other category, that is, non-Nuclear Weapon States. We have a nuclear weapon programme of our own and there is today an implicit recognition of that reality on the part of the rest of the world. Therefore, it is certainly true when we go to sign safeguard agreements with the International Atomic Energy Agency, our safeguard agreement cannot be a carbon copy of either Model I or Model II. It has to be a unique safeguard agreement, which we will work to negotiate with the International Atomic Energy Agency.

I wish to assure the House that India will not accept the safeguard agreements signed by non-Nuclear Weapon States under the NPT,

otherwise called Comprehensive Safeguards. This is precisely because our military facilities will remain outside the purview of safeguards like those of other Nuclear Weapon States. Each of the Nuclear Weapon States has concluded separate safeguard agreements with the International Atomic Energy Agency, listing specific facilities offered for safeguards. Similarly, we too will include in an India's Specific Act Safeguard Agreement a list of facilities offered for International Atomic Energy Agency Safeguards.

Sir, such an India specific safeguard agreement is yet to be negotiated. It will be difficult to predict the contents and details. However, it will contain protection against withdrawal of safeguarded nuclear material for a civilian use at any time. It will be negotiated so that India will be permitted to take corrective measures to ensure uninterrupted operation of our civilian nuclear reactors in the event of disruption of foreign fuel supplies.

Sir, on the subject of fuel supplies, I must underline that the United States has provided a number of assurances of uninterrupted supplies of fuel. These must be read with the assurance of India's right to take corrective measures in the event fuel supplies are interrupted. Even after these assurances, if all measures fail and supplies to our safeguarded reactors are disrupted, India retains the sovereign right to take all appropriate measures to fully safeguard its interests. That safeguards, in perpetuity, must be seen in this overall context of being backed up by credible assurances about uninterrupted supply.

The third issue relates to measures announced by the Government with regard to CIRUS and Apsara Research Reactors, those of which are located at BARC. As I explained in my last suo motu statement, we have decided to permanently shut down the CIRUS Reactor in 2010 and to shift the foreign resource fuel core of the Apsara Reactor outside BARC.

Questions are being asked, why are we doing it? The fuel core will then be available for safeguards in 2010. Let me clarify that only the fuel core will be shifted and not the Reactor. We have decided to take these two steps because the BARC complex is of high national security importance and we will not allow any international inspection in this area.

Now, while the CIRUS Reactor was refurbished recently, the associated cost will be more than recovered by the Isotope reduce and the research that we will be conducting before it is closed. Both CIRUS and Apsara are not related to our strategic programme and therefore, our scientists have assured me that these steps are announced in the separation plan will have no impact on our strategic programme.

Some Members also expressed concern whether these steps will hinder ongoing research and development. Through this august House, I assure the nation and, in particular, the scientific community that we will take all possible steps to ensure that there is no adverse fallout on research and development. Our scientists will have state-of-the-art facilities to expand the frontiers of knowledge. One of the main criteria motivating us in drawing up the separation plan has been our determination to safeguard the autonomy of our research and development programme. This will be ensured in full measure.

Finally, some Members have also expressed concern whether the confidentiality of the strategic programme was fully preserved during the negotiations with the United States. I can assure the hon. Member that our discussions with the United States pertained only to those facilities that are being offered for safeguards between 2006 and 2014. The discussion did not cover our strategic programme. Confidential information on our national security and the strategic programme has been and will remain fully protected.

Mr. Speaker, Sir, I believe that it is the sentiment of the House that the decision we have taken will lead to welcome resumption of international cooperation. Our understandings will open the doors for cooperation and the development of our civilian nuclear energy sector not only with the United States but also with other key international partners like Russia, United Kingdom and France. At the same time, we will also be able to internationally share our recognised capabilities in the field of civilian nuclear technologies. In this context some Members spoke of the global nuclear energy partnership which is a separate issue from our bilateral discussions with the United States on civil nuclear cooperation. Our comprehensive capabilities across the spectrum and mastery over all aspects of the nuclear fuel cycle are well established and widely recognised. Our possible association with any such international initiative, therefore, can be only on the basis of participation of India as an equal partner with other founding member and as a supplier nation. I would like to emphasise this point. We will not forgo the three-stage Programme which will enable us to utilise our vast thorium reserves in future.

Mr. Speaker, Sir, I believe I have covered most of the points that have been made in this debate. And I repeat what we have done is to widen our development options with regard to ensuring adequate energy security for our country. We have, at the same time, taken full care that our

strategic programme is protected. We have, at the same time, taken care that the research and development opportunities in this vital area of national endeavour are not in any way adversely affected by this Agreement. So, what we have done, I believe, is a step forward in taking our country on to a higher growth and development trajectory.

Thank you Sir.

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067. Question in the Lok Sabha: “Ban on Nuclear Tests”.

New Delhi, May 10, 2006.

Will the Prime Minister be pleased to state:

- a) whether the US asked India to ban nuclear tests permanently as part of Indo-US nuclear deal as per the draft agreement received in this regard;
- b) if so, the details thereof; and
- c) the response of the Union Government thereto?

The Minister of State in the Ministry of External Affairs (Shri Anand Sharma):

- (a)-(b) Discussions are ongoing between India and the United States on a bilateral civil nuclear energy cooperation agreement. Among the elements in the draft proposed by the United States, there was a reference to cooperation being discontinued were India to detonate a nuclear explosive device.
- (c) India has conveyed to the United States that such a provision has no place in the proposed bilateral agreement and that India is bound only by its commitment in the July 18, 2005 Joint Statement to continuing a unilateral moratorium on nuclear testing.

Relevant Extract of the “Glenn Amendment” on Sanctions: Amendment to the Arms Export Control Act

- (b) PROHIBITIONS ON ASSISTANCE TO COUNTRIES INVOLVED IN TRANSFER OR USE OF NUCLEAR EXPLOSIVE DEVICES; EXCEPTIONS; PROCEDURES APPLICABLE-

- (1) Except as provided in paragraphs (4), (5), and (6), in the event that the President determines that any country, after the effective date of part B of the Nuclear Proliferation Prevention Act of 1994
- (A) transfers to a non-nuclear-weapon state a nuclear explosive device,
- (B) is a non-nuclear-weapon state and either—
- (i) receives a nuclear explosive device, or
- (ii) detonates a nuclear explosive device,
- (C) transfers to a non-nuclear-weapon state any design information or component which is determined by the President to be important to, and known by the transferring country to be intended by the recipient state for use in, the development or manufacture of any nuclear explosive device, or
- (D) is a non-nuclear-weapon state and seeks and receives any design information or component which is determined by the President to be important to, and intended by the recipient state for use in, the development or manufacture of any nuclear explosive device, then the President shall forthwith report in writing his determination to the Congress and shall forthwith impose the sanctions described in paragraph (2) against that country.

Text of statement made by MEA Spokesman (17 April 2006)

“USA has shared with India some weeks ago a preliminary draft Agreement on the Indo-US civil nuclear cooperation under article 123 of the US Atomic Energy Act. Among the elements suggested by the United States there is a reference to cooperation being discontinued were India to detonate a nuclear explosive device. In the preliminary discussions on these elements so far India has already conveyed to the United States that such a provision has no place in the proposed bilateral agreement and that India is bound only by what is contained in the July 18 Joint Statement, that is continuing its commitment to a unilateral moratorium on nuclear testing. India’s position on CTBT, that you mentioned, is well known and continues to remain valid.”

Relevant Text of the Draft Bilateral Agreement

ARTICLE 11 - CESSATION OF COOPERATION

1. If either Party at any time following entry into force of this Agreement:

- (A) does not comply with the provisions of Article 5, 6, 7, 8, or 9; or
 - (B) terminates, abrogates, or materially violates a safeguards agreement with the IAEA; the other Party shall have the rights to cease further cooperation under this Agreement and to require the return of any material, equipment, or components transferred under this Agreement and any special nuclear material and weapons-usable byproduct material produced through their use.
2. **If India at any time following entry into force of this Agreement detonates a nuclear explosive device, the United States of America shall have the same rights as specified in paragraph I.**
 3. If either Party exercises its rights under this Article to require the return of any material, equipment, or components it shall, after removal from the territory of the other Party, reimburse the other Party for the fair market value of such material, equipment, or components.

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068. Implementation of the India-United States Joint Statement of July 18, 2005: India's Separation Plan – Presented to Parliament on May 11, 2006.

New Delhi, May 11, 2006

1. The resumption of full civilian nuclear energy cooperation between India and the United States arose in the context of India's requirement for adequate and affordable energy supplies to sustain its accelerating economic growth rate and as recognition of its growing technological prowess. It was preceded by discussions between the two Governments, particularly between President Bush and Prime Minister Manmohan Singh, of the global energy scenario and the long-term implications of increasing pressure on hydrocarbon resources and rising oil prices. These developments led to the announcement in April 2005 of an Indo-US Energy

Dialogue that encompassed the entire spectrum of energy options ranging from oil and gas to coal, alternative fuels and civilian nuclear energy. Through the initiation of a sustained dialogue to address energy security concerns, the two countries sought to promote stable, efficient, predictable and cost effective solutions for India's growing

requirements. At the same time, they also agreed on the need to develop and deploy cleaner, more efficient, affordable and diversified energy technologies to deal with the environmental implications of energy consumption. India had developed proven and wide ranging capabilities in the nuclear sector, including over the entire nuclear fuel cycle. It is internationally recognized that India has unique contributions to make to international efforts towards meeting these objectives. India has become a full partner in ITER, with the full support of the US and other partners. India also accepted the US invitation to join the initiative on Clean Development Partnership.

2. Noting the centrality of civilian nuclear energy to the twin challenges of energy security and safeguarding the environment, the two Governments agreed on 18 July 2005 to undertake reciprocal commitments and responsibilities that would create a framework for the resumption of full cooperation in this field. On its part, the United States undertook to:
 - | Seek agreement from the Congress to adjust US laws and policies to achieve full civil nuclear energy cooperation.
 - | Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, including but not limited to expeditious consideration of fuel supplies for safeguarded nuclear reactors at Tarapur.
 - | In the meantime, encourage its partners to consider fuel supply to Tarapur expeditiously.
 - | To consult with its partners to consider India's participation in ITER.
 - | To consult with other participants in the Generation IV International Forum with a view towards India's inclusion.

3. India had conveyed its readiness to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the United States. Accordingly, India for its part undertook the following commitments:
 - | Identifying and separating civilian and military nuclear facilities and programmes in a phased manner.

- | Filing a declaration regarding its civilian facilities with the IAEA.
 - | Taking a decision to place voluntarily its civilian nuclear facilities under IAEA safeguards, and
 - | Signing and adhering to an Additional Protocol with respect to civilian nuclear facilities.
4. Other commitments undertaken by India have already been fulfilled in the last year. Among them are:
- | India's responsible non-proliferation record, recognized by the US, continues and is reflected in its policies and actions.
 - | The harmonization of India's export controls with NSG and MTCR Guidelines even though India is not a member of either group. These guidelines and control lists have been notified and are being implemented.
 - | A significant upgrading of India's non-proliferation regulations and export controls has taken place as a result of Weapons of Mass Destruction Act of May 2005. Inter-Ministerial consultations are ongoing to examine and amend other relevant Acts as well as framing appropriate rules and regulations.
 - | Refrain from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread. This has guided our policy on non-proliferation.
 - | Continued unilateral moratorium on nuclear testing, and
 - | Willingness to work with the United States for the conclusion of a multilateral Fissile Material Cut-Off Treaty.
5. The Joint Statement of 18 July 2005, recognized that India is ready to assume the same responsibilities and practices as other leading countries with advanced nuclear technology, such as the United States. India has an impeccable record in nonproliferation. The Joint Statement acknowledges that India's nuclear programme has both a military and a civilian component. Both sides had agreed that the purpose was not to constrain India's strategic programme but to enable resumption of full civil nuclear energy cooperation in order to

enhance global energy and environmental security. Such cooperation was predicated on the assumption that any international civil nuclear energy cooperation (including by the US) offered to India in the civilian sector should, firstly, not be diverted away from civilian purposes, and secondly, should not be transferred from India to third countries without safeguards. These concepts will be reflected in the Safeguards Agreement to be negotiated by India with IAEA.

6. India's nuclear programme is unique as it is the only state with nuclear weapons not to have begun with a dedicated military programme. It must be appreciated that the strategic programme is an offshoot of research on nuclear power programme and consequently, it is embedded in a larger undifferentiated programme. Identification of purely civilian facilities and programmes that have no strategic implications poses a particular challenge. Therefore, facilities identified as civilian in the Separation Plan will be offered for safeguards in phases to be decided by India. The nature of the facility concerned, the activities undertaken in it, the national security significance of materials and the location of the facilities are factors taken into account in undertaking the separation process. This is solely an Indian determination.
7. The nuclear establishment in India not only built nuclear reactors but promoted the growth of a national industrial infrastructure. Nuclear power generation was envisaged as a threestage programme with PHWRs chosen for deployment in the first stage. As indigenous reactors were set up, several innovative design improvements were carried out based on Indian R&D and a standardized design was evolved. The research and technology development spanned the entire spectrum of the nuclear fuel cycle including the front end and the back end. Success in the technologies for the back end of the fuel cycle allowed us to launch the second stage of the programme by constructing a Fast Breeder Test Reactor. This reactor has operated for 20 years based on a unique carbide fuel and has achieved all technology objectives. We have now proceeded further and are constructing a 500 MWe Prototype Fast Breeder Reactor. Simultaneously, we have launched design and development of reactors aimed at thorium utilization and incorporating inherent safety features.
8. Concepts such as grid connectivity are not relevant to the separation

exercise. Issues related to fuel resource sustainability, technical design and economic viability, as well as smooth operation of reactors are relevant factors. This would necessitate grid connectivity irrespective of whether the reactor concerned is civilian or not civilian.

9. It must be recognized that the Indian nuclear programme still has a relatively narrow base and cannot be expected to adopt solutions that might be deemed viable by much larger programmes. A comparison of the number of reactors and the total installed capacity between India and the P-5 brings this out graphically:

Country	Number of Reactors	Total Installed Capacity
India	15	3.04 GWe (2.8% of the total production)
USA	104 (103 operational)	99.21 GWe (19.9% of the total production)
France	59	63.36 GWe (78.1% of the total production)
UK	23	11.85 GWe (19.4% of the total production)
Russia	31	21.74 GWe (15.6% of the total production)
China	9	6.602 GWe (2.2% of the total production)

Source : Nuclear Energy Institute, Washington DC

10. Another factor to be taken into account is the small capacity of the reactors produced indigenously by India, some of which would remain outside safeguards. Therefore, in assessing the extent of safeguards coverage, it would be important to look at both the number of reactors and the percentage of installed capacity covered. An average Indian reactor is of 220 MW and its output is significantly smaller than the standard reactor in a P-5 economy

The chart below illustrates this aspect:

Country	Most Common reactor	Number of such reactors
India	PHWRs 220 MWe	12
USA	69 PWRs and 34 BWRs. 1000 MWe to 1250 MWe	Most plants are in the range of 1000-1250 Mwe 51 Reactors in the range of
France	PWRs of 900 MWe and 1300 MWe size	34 PWRs of 900 MWe and 20 PWRs of 1300 MWe
UK	No standard size. AGR is the most common in the range of 600-700 MWe	14 AGRs
Russia	3rd Generation VVER-1000 PWRs and RBMK 1000 Light Water Graphite Reactors	9 third Generation VVER 1000 PWRs and 11 RBMK 1000 Light Water Graphite Reactors
China	PWRs 984 MWe	Four

Source: Uranium Information Centre, Melbourne

11. The complexity of the separation process is further enhanced by the limited resources that India has devoted to its nuclear programme as compared to P-5 nations. Moreover, as India expands international cooperation, the percentage of its thermal power reactor installed capacity under safeguards would rise significantly as fresh capacity is added through such cooperation.
12. India's approach to the separation of its civilian nuclear facilities is guided by the following principles:
 - i. Credible, feasible, and implementable in a transparent manner;
 - i. Consistent with the understandings of the 18 July Statement;
 - i. Consistent with India's national security and R&D requirements as well as not prejudicial to the three-stage nuclear programme in India;

- | Must be cost effective in its implementation; and
- | Must be acceptable to Parliament and public opinion.

13. Based on these principles, India will:

- | Include in the civilian list only those facilities offered for safeguards that, after separation, will no longer be engaged in activities of strategic significance.
- | The overarching criterion would be a judgement whether subjecting a facility to IAEA safeguards would impact adversely on India's national security.
- | However, a facility will be excluded from the civilian list if it is located in a larger hub of strategic significance, notwithstanding the fact that it may not be normally engaged in activities of strategic significance.
- | A civilian facility would therefore, be one that India has determined not to be relevant to its strategic programme.

14. Taking the above into account, India, on the basis of reciprocal actions by the US, will adopt the following approach:

- i) Thermal Power Reactors: India will identify and offer for safeguards 14 thermal power reactors between 2006 and 2014. This will include the 4 presently safeguarded reactors (TAPS 1&2, RAPS 1&2) and in addition KK 1&2 that are under construction. 8 other PHWRs, each of a capacity of 220MWe, will be offered. The overall plan will be as follows:

S.No.	Facility	Year offered for safeguards
1.	TAPS 1	2006
2.	TAPS 2	2006
3.	RAPS 1	2006
4.	RAPS 2	2006
5.	KK 1	2006
6.	KK 2	2006

7.	RAPS 5	2007
8.	RAPS 6	2008
9.	RAPS 3	2010
10.	RAPS 4	2010
11.	KAPS 1	2012
12.	KAPS 2	2012
13.	NAPS 1	2014
14.	NAPS 2	2014

The above offer would, in effect, cover 14 out of the 22 thermal power reactors in operation or currently under construction to be placed under safeguards, and would raise the total installed Thermal Power capacity by MWe under safeguards from the present 19% to 65% by 2014.

- ii) Fast Breeder Reactors: India is not in a position to accept safeguards on the Prototype Fast Breeder Reactors (PFBR) and the Fast Breeder Test Reactor (FBTR), both located at Kalpakkam. The Fast Breeder Programme is at the R&D stage and its technology will take time to mature and reach an advanced stage of development.
- iii) Future Reactors: India has decided to place under safeguards all future civilian thermal power reactors and civilian breeder reactors, and the Government of India retains the sole right to determine such reactors as civilian.
- iv) Research Reactors: India will permanently shut down the CIRUS reactor, in 2010. It will also be prepared to shift the fuel core of the APSARA reactor that was purchased from France outside BARC and make the fuel core available to be placed under safeguards in 2010.
- v) Upstream facilities: The following upstream facilities would be identified and separated as civilian:
 - List of specific facilities in the Nuclear Fuel Complex, Hyderabad which will be offered for safeguards by 2008 is give below:

- Uranium Oxide Plant (Block A)
 - Ceramic Fuel Fabrication Plant (Palletizing) (Block A)
 - Ceramic Fuel Fabrication Plant (Assembly) (Block A)
 - Enriched Uranium Oxide Plant
 - Enriched Fuel Fabrication Plant
 - Gadolinia Facility
- The Heavy Water Production plants at Thal, Tuticorin and Hazira are proposed to be designated for civilian use between 2006-2009. We do not consider these plants as relevant for safeguards purposes.
- vi) Downstream facilities: The following downstream facilities would be identified and separated as civilian:
- India is willing to accept safeguards in the 'campaign' mode after 2010 in respect of the Tarapur Power Reactor Fuel Reprocessing Plant.
 - The Tarapur and Rajasthan 'Away From Reactors' spent fuel storage pools would be made available for safeguards with appropriate phasing between 2006-2009.
- vii) Research Facilities: India will declare the following facilities as civilian:
- (a) Tata Institute of Fundamental research
 - (b) Variable Energy Cyclotron Centre
 - (c) Saha Institute of Nuclear Physics
 - (d) Institute for Plasma Research
 - (e) Institute of Mathematics Science
 - (f) Institute of Physics
 - (g) Tata Memorial Centre
 - (h) Board of Radiation and Isotope Technology
 - (i) Harish Chandra Research Institute

These facilities are safeguards-irrelevant. It is our expectation that they will play a prominent role in international cooperation.

15. Safeguards:

- a) The United States has conveyed its commitment to the reliable supply of fuel to India. Consistent with the July 18, 2005, Joint Statement, the United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for its reactors. As part of its implementation of the July 18, 2005, Joint Statement the United States is committed to seeking agreement from the U.S. Congress to amend its domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international fuel market, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations.
- b) To further guard against any disruption of fuel supplies, the United States is prepared to take the following additional steps:
 - i) The United States is willing to incorporate assurances regarding fuel supply in the bilateral U.S.-India agreement on peaceful uses of nuclear energy under Section 123 of the U.S. Atomic Energy Act, which would be submitted to the U.S. Congress.
 - ii) The United States will join India in seeking to negotiate with the IAEA an India-specific fuel supply agreement.
 - iii) The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
 - iv) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.
- c) In light of the above understandings with the United States, an India-specific safeguards agreement will be negotiated between India and the IAEA providing for safeguards to guard against withdrawal of safeguarded nuclear material from civilian use at any time as well as providing for corrective measures that India may take to ensure uninterrupted

operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. Taking this into account, India will place its civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate safeguards agreement to this end with the IAEA.

16. This plan is in conformity with the commitments made to Parliament by the Government.

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069. Response of Official Spokesperson to a questions on media reports that “India can make 50 nuclear warheads a year”

New Delhi, June 23, 2006.

We have seen this report in question. Unfortunately, there has been a considerable amount of misinformed speculation about our nuclear programme. First of all, you must remember that our nuclear deal with the US is about civilian nuclear energy cooperation and not about our strategic programme. The issues touched upon in this report have all been covered by the Separation Plan, which has been tabled in Parliament. It is clear and unambiguous, just as the July 18 Joint Statement is. There is no room for misinterpretation.

The argument that the nuclear deal with the US would enhance our strategic capacity is as misplaced as its opposite extreme - that it would cripple our programme. We believe that Secretary Rice has accurately summed up the situation in her Congressional testimony when she has noted that the nuclear deal would have no impact on our strategic programme. India remains committed to a credible minimum deterrent.

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070. Interview of Minister of State Anand Sharma with *Indian Express* on civil nuclear energy agreement with the USA.

New Delhi, July 2, 2006.

[While the Indo-US nuclear deal may have crossed the first hurdle comprehensively in the House and Senate in America, it hasn't impressed opposition BJP or ally Left back home. It has been left to Anand Sharma, MoS, External Affairs, to formulate a political response to what, many believe, is largely political opposition to the deal. In an interview to JAYANTH JACOB, Sharma says the Government welcomes the Left's "constructive criticism" and was confident of winning it over, while the BJP's charges reek of double standards:]

Question: The Indo-US civilian nuclear deal has come in for a lot of criticism. And the opposition parties have been alleging that they were not kept in the loop.

Answer: Such criticisms are motivated, a partisan propaganda aimed at misleading public opinion on the issue. The deal is a bipartisan endorsement of the two countries' mutual vision, as expressed in their July 18, 2005, statement of civilian nuclear cooperation.

There is also inadequate comprehension on the part of many about the legislative process in the US. What we heard during the debate in the House of Representatives was a sense of the House. And in any democracy, individual members are entitled to air their views...

We are committed to what forms the basis of the July 18 statement and the parameters defined in the nuclear separation plan on May 2 agreed between Prime Minister Manmohan Singh and President George Bush. There is no deviation, dilution or further addition to our stand. All such criticisms are premature, uninformed and deliberately partisan. India is committed to pursue a sovereign foreign policy that will be judicious and will be based on merit. There is no question of India deviating from that.

Question: It's not only the BJP, even the Left parties have criticised the deal.

Answer: We respect the inputs of the Left parties, their constructive criticism. They are our partners. There is a mechanism of coordination with Left parties in addressing such issues. Then, in a democracy, political parties have their own stands on issues. But we seek broad-based national

consensus on all matters related to foreign policy. And the country's interests are always safeguarded.

Question: But don't you think there is less and less attempt to hold inter-party consultations before major policy decisions, irrespective of who's in power?

Answer: It has been our endeavour to seek consensus on major foreign policy decisions. When in power, the NDA, led by the BJP, had taken specific steps on the nuclear issue, Indo-US relations and Pakistan. We were not informed. Parliament was not informed. Their policy lacked consistency. The armies of India and Pakistan stood eyeball-to-eyeball on the border for 11 months. Things have improved in the past two years.

The BJP's charges should be rejected with the contempt they deserve. We are only discussing the civilian nuclear plan, the NDA was discussing strategic deterrent plans with the US.

Question: Is this on record?

Answer: It is on record. The Vajpayee government was talking strategic restraint, strategic deterrent plans with the US. In 1998 then PM Vajpayee told the UN General Assembly that India's de facto ban on nuclear testing can become a de jure one. Strobe Talbott wrote about Jaswant Singh's readiness to sign the Comprehensive Test Ban Treaty. All these show the BJP's double standards.

Question: Do the records suggest the NDA discussed other strategic issues?

Answer: That's not the issue here. Parliament was not kept informed about such foreign policy decisions by the NDA. (On the other hand) there was an extensive discussion on the July 18 statement in Parliament in which Prime Minister Manmohan Singh responded to the concerns of the members. Parliament had even met on a Saturday to discuss the issue.

Question: Moving on to the Shashi Tharoor issue, many feel that by fielding him for the UN Secretary General's post, India has traded off on its Security Council aspirations?

Answer: This is not correct. The prevailing perception among a large number of UN member nations is that the next Secretary General be from Asia in conformity with the principle of regional rotation. As Tharoor is the

best available candidate from Asia, we offered him support. He is a distinguished intellectual and has vast experience at the UN...Even BJP supported Tharoor's candidature.

As regards our UNSC aspirations, we are committed to pursuing our campaign on comprehensive UN reforms in accordance with the G-4 resolution. We are engaging other countries too. But first a framework resolution has to go through. Our rightful aspirations for the UNSC have been endorsed by a vast majority of countries.

Question: Again, why didn't the Government keep the Opposition in the loop on this, when it would have been confident of their support?

Answer: Tharoor's candidature was not cleared in one day. When we decided to support him, Tharoor called up former prime minister (Vajpayee), L K Advani and CPI(M) leaders Prakash Karat and Sitaram Yechury. But the BJP which prides itself as a nationalistic, patriotic party doesn't even take pride in major achievements of the country at the international level—like India bagging 173 out of 190 votes to get elected to the United Nations Human Rights Council.

Question: What's the level of Indian involvement in Sri Lanka? Considering the stake Tamil Nadu parties have in the UPA, it must be a tough balancing act.

Answer: We are concerned about the situation in Sri Lanka. Our stand has been that the peace process should continue and there should be a negotiated settlement. When it comes to foreign policy there is no different opinion from any of our allies.

Question: But the Lankan refugee problem is getting bigger...

Answer: Refugee problem is refugee problem and ethnic issue is ethnic issue. I would also like to state that the LTTE is a banned organisation.

Question: Is the time ripe for the Prime Minister to visit Pakistan?

Answer: It's an open-ended question. Our relations with Pakistan have improved a lot since the UPA came into power.

071. Statement on the signing of the International Convention for the Suppression of Acts of Nuclear Terrorism, 2005.

New Delhi, July 25, 2006.

1. India signed the International Convention for the Suppression of Acts of Nuclear Terrorism, 2005 on 24th July 2006 at the UN Headquarters in New York.
2. This Convention, initially proposed by the Russian Federation, was adopted by the UN General Assembly (UNGA) on 13/4/05 by a consensus resolution and was opened for signature at the UN Headquarters from 14th September 2005. The Convention is the first anti-terrorism convention adopted since the terrorist attacks of September 11, 2001. The Convention requires States to make punishable as serious offence under their domestic law, terrorist acts involving the use of nuclear materials. States are also required to cooperate in the prevention, investigation and prosecution of these offences through information sharing, extradition and mutual legal assistance.
3. India is already a Party to the other 12 international terrorism conventions and protocols and attaches high priority to the formulation of international legal instruments to combat terrorism. Terrorism presents the most serious threat to peace and security. India has always emphasized that the international community must adopt an approach of zero-tolerance for terrorism anywhere and be ready to undertake all necessary measures to bring to justice the perpetrators, organizers, sponsors of these and other terrorist acts and those who incite terrorists to commit them.
4. This Convention is an important step forward in multilateral efforts to strengthen the international legal framework against terrorism and sends an undeniably clear signal that the international community will not tolerate those that threaten or commit terrorist acts involving radioactive material or nuclear devices. India shares the objective of the International Convention for the Suppression of Acts of Nuclear Terrorism, which demonstrates the resolve of the international community to deny terrorists access to nuclear materials and enhances international cooperation between states in devising and

adopting practical measures for prevention of acts of nuclear terrorism and for the prosecution and punishment of their perpetrators.

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072. Statement of Prime Minister in Rajya Sabha on the India-US Nuclear Agreement.

New Delhi, August 17, 2006

THE PRIME MINISTER (DR. MANMOHAN SINGH): Mr. Chairman, Sir, as I stand before this august House, I would like to share with you and the hon. Members the vision that inspires us and that vision is bequeathed to us by no less than a person than Jawaharlal Nehru, when, on the eve of our Independence he said, "Our task will not be complete so long as we cannot get rid of chronic mass poverty, ignorance and disease which still afflict millions and millions of our country men and country women." In the last sixty years, a great deal has been done to soften the harsh edges of extreme poverty. But, who can deny that we have to do a lot more to reach our cherished goal. Sir, Panditji said in 1947 that it has been the dream of the greatest man of our age, referring to Mahatma Gandhi, to wipe out every tear from every eye and, he then said, that may be a tall order for us. But, that is the inspiration which has to inspire Governments in a country as poor, as under-developed as we are.

Sir, it is my solid conviction that mass poverty can be removed only if we have a fast expanding economy. Even though, I recognise that a fast expanding economy is by itself not a sufficient condition of getting rid of poverty. We need institutional mechanisms to focus, particularly on the needs of the under privileged sections of our society. If India has to grow at the rate of 8 per cent to 10 per cent and, maybe, more, India needs rising amounts of energy. A question has been asked, 'Have I calculated what type of energy mix this country needs and have I worked out the costs of that?' Mr. Chairman, I had some experience of that. Soon after the Pokhran Tests in 1974, I became the Member for finance of the Atomic Energy Commission and, along with colleagues like Dr. Ramanna, Dr. Sethna, Dr. Iyengar, we worked out the role of nuclear energy in meeting the deficit in our energy requirements.

In this context, we must never forget the primary motivation for India's nuclear programme was the production of energy, defence came much later. And, where are we? After six years, our total production of nuclear power is no more than 3,000 MW. People say that we can use coal. We have plenty of coal. Often low-grade coal has high ash content. If you use increased quantities of coal you run into environmental hazards, like, the CO₂ and other gas emissions. As for hydrocarbons, you know there is a great insecurity of supplies. We know that the price of hydrocarbons, oil and gas, can go, in a very short period, to hundred dollars a barrel. Therefore, in this environment, prudence demands that we must widen our energy options. I am not saying that nuclear energy will provide the final answer. All I am saying is, as I understood, all development is about widening human choices. And, when it comes to energy security, widening our choices means that we should be able to make effective use of nuclear power. If the need arises. If the economic calculus demands that this is the most cost-effective means.

It is my belief that the nuclear order that prevailed in the world for thirty odd years, which has imposed restrictions on nuclear trade with India — if this nuclear order is not changed, India's development options, particularly its quest for energy security will face, to put it mildly, a great degree of uncertainty. Mr. Arun Shourie asked me what calculations have I seen. I have seen many calculations in the Department of Atomic Energy. In the eighties when Shri K.C. Pant was the Chairman of the Energy Policy Committee, a detailed study was done and it was shown that if you were talking of generating power and reaching it to place 700 kms away from a coal mine, nuclear energy is the right economic answer. Things can change. And, I think, the Planning Commission has done recent work, and they have also come to the conclusion that having the nuclear option is something which will give us greater degree of security on the energy front. That's the vision that inspires our quest for changing the nuclear order.

We have, of course, security concerns, international security concerns. Nuclear proliferation in our neighbourhood is something which worries us and, therefore, it is quite clear that while we are committed to our civilizational heritage of working untiringly for universal disarmament, we have to recognise that we are living in a world, where this is not going to happen today, tomorrow, or, day after tomorrow. In this uncertain world, the unpredictable world that we live in, we have legitimate security concerns. The nuclear weapon programme, its autonomy, its independence,

dependent solely on our own assessment, must remain a cardinal principle of our nuclear policy.

Sir, I do recognize, if you are trying to move away from the status quo, you do run risks. Change is very disruptive. It upsets existing institutions; existing ways of thinking, and status quo has the satisfaction of being rooted in reality. If you are planning for a future and the future is inherently uncertain, you run the risk that you may go wrong. But we live in a world, where change is the only constant. This country has to be prepared to think big about its future and if that is the vision, that is the mission, then, I sincerely believe the path that we have identified is the right path. I am not saying that I know whether we will succeed or not.

In fact, if I had been allowed to initiate this debate, I would have outlined the risks that we face and, maybe, at the end of it the whole House would have said that this is what things should be and this is what our approach should be. I was not given that opportunity even though I offered, in both the Houses, that I was willing to make a suo moto statement setting out our vision, goals, risks and uncertainties that we face and how we will tackle those risks and uncertainties.

Sir, my thoughts go back to the year 1991. Shri Yashwant Sinha handed me a bankrupt economy with foreign exchange reserves of no more than two weeks. I had to improvise within one week a programme to rescue this economy. Within one month I had to come with a Budget which required far-reaching changes in the way we were taught to think about our economic problems. On that occasion also, in 1992, when I rose to present my second Budget, all Opposition, the Right and Left, rose and said that I should be impeached because I have prepared this budget in consultation with Washington and that I was an American agent. I have lived with that sort of thing. And, therefore, it does not surprise me that today all sorts of adjectives were used. I am strong or weak, history will determine that. But, I do wish to share with this House that I do recognise the risks that reform undertakings run into in all modern societies.

I was reading Machiavelli recently. I should like to quote a paragraph from 'The Prince': "It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things. For the reformer has enemies in all those who profit by the old order, and only lukewarm defenders in all those who would profit from the new order. This lukewarmness arises partly from the fear of their adversaries, who have the laws in their favour; and partly

from the incredulity of mankind, who do not truly believe in anything new until they have the experience of it. Thus it arises that on every opportunity for attacking the reformer, his opponents do so with the zeal of partisans, the others only defend him half-heartedly, so that between them he runs a great danger.”

Therefore, I am aware of the risks that I do incur. Mr. T.T. Krishnamachari once told me that there are tigers on the prowl on the streets of Delhi. I am aware of the risks but for India's sake, I am willing to take those risks.

Mr. Chairman, you forgive me if I become a little sentimental on this occasion. I was born in a very poor family on the other side of Punjab. I was the first one in the family who went to High School. My father left his class in the eighth standard and became a freedom fighter in Nabha and Jaito morchas that were launched at that time. I may not have been in politics, but I have in my blood the feelings of a freedom fighter's family. I may be late comer into politics, but I have the privilege of belonging to a Party which fought for India's freedom. The Party which produced great leaders like Mahatma Gandhi, Jawaharlal Nehru, Indira Gandhi, Sardar Patel, Maulana Abdul Kalam Azad, Khan Abdul Ghaffar Khan, Rajiv Gandhi, etc. That is the heritage of which any Party must be proud.

When I stand before this House, I can say in all faithfulness that in these two years and three months that this nation has entrusted me with the job of the Prime Minister, I did not seek it; it came my way, but it has been my effort to do my very best to serve the vital interests of this nation.

This commitment I made in 1991. In my first Budget Speech I said, “No power on earth can stop an idea whose time has come”. I had then said, “The emergence of India, as a major pole of the global economy is one such idea whose time has come.” And, I said: “I will dedicate myself to that task.” I was criticised by the Right, by the Left, names were used, epithets, 15 years down, who will today say that what I did then was wrong. This Nation stands tall, proud, fast-growing and if India had not launched, if we had not launched the programmes of reforms, I shudder to think, how India would have faced the Asian crisis of the mid 90's. So, Sir, I speak with some experience, even though, I may be novice in politics. I do not have the skills of Jaswant Singhji, Yashwant Sinha, or, Arun Shourieji, but I do wish to say to our countrymen that the service of India, as Jawahar Lal Nehru used to say, means a service of teeming millions who suffer day and night and that is the vision, that is the mission which inspires me and will

guide me for whatever is left of my life. No power on earth can take away that privilege from me. I will discharge my duties to this country, to the last ounce of my blood. Sir, I now come to the subject matter of discussion today.

1. At the outset, I would like to convey my gratitude to all the Hon'ble Members who have participated in this debate. I am grateful for this opportunity to clarify some of the issues arising from the discussion. I will do so in a non partisan spirit and I have every reason to believe that after I have finished that I will be able to carry the whole House with me. Our Government has never shied away from a full discussion in Parliament on this important issue. On three previous occasions on July 29, 2005, February 27, 2006 and March 7, 2006, I had made detailed statements and discussed this important subject in this august House. Once again, several issues have been raised during the current discussions and I wish to take this opportunity to respond to them. I also intend to cover developments since my last Suo Motu statement of March 7 this year.
2. Two types of comments have been made during the discussion in the House. The first set of issues pertains to the basic orientation of our foreign policy. Some Hon'ble Members have observed that by engaging in discussions with, and allegedly acquiescing in the demands made by the United States, we have compromised the independent nature of our foreign policy.
3. The second set of issues pertain to deviations from the July 18 Joint Statement and the March 2 Separation Plan. Many of the points raised by the Hon'ble Members have also been aired outside Parliament, notably also by some senior members of the scientific establishment. Overall, a listing of the important concerns include the following: that the India-US Nuclear initiative and more particularly the content of the proposed legislation in the US Congress, could undermine the autonomy of our decision-making; limit the options or compromise the integrity of our strategic programme; and adversely affect the future of our scientific research and development. To sum up, this would suggest that India's strategic nuclear autonomy is being compromised and India is allowing itself to be pressurized into accepting new and unacceptable conditions that are deviations from the commitments made by me to Parliament in July 2005 and in February and March this year.

4. I recognize that many of these concerns are borne out of genuine conviction that nothing should be done that would undermine long standing policies that have a bearing on India's vital national security interests. I fully share and subscribe to these sentiments. I would like to assure the Hon'ble Members that negotiations with the US regarding the civilian nuclear deal have not led to any change in the basic orientation of our policies, or affected our independent judgment of issues of national interest. Last year during my visit to the US, I addressed the National Press Club in the full glare of the media. A question was put to me regarding what I thought about the US intervention in Iraq. In the full public glare of the media I said that it was a mistake. I said the same to President Bush when he visited India. I said India does not find favour with regime change.
5. The thrust of our foreign policy remains the promotion of our national interest. We are unwavering in our commitment to an independent foreign policy. We do recognize the complexities present in an increasingly inter-dependent and multi-polar world. While we recognize that the United States is a pre-eminent power and good relations with the U.S. are in our national interest, this has not in any way clouded our judgment. There are many areas of agreement with the United States, but at the same time there are a number of areas in which we have differences and we have not shied away from making these known to the US, as also expressing them in public. Currently, we are engaged not only with the US but other global powers like Russia, China, the EU, UK, France and Japan. We are also focusing on ASEAN, as well as countries in West Asia, Africa and Latin America. More importantly, we are devoting proportionately larger time and effort in building relations with countries in our immediate neighbourhood like Nepal, Bhutan, Sri Lanka, Bangladesh, Myanmar, and Pakistan. Our relations with all these countries are determined by the dictates of our enlightened national interest and we have not allowed any other country, including the United States, to influence our policies. This will not change as long as I am Prime Minister.
6. I would, hence, again reiterate in view of the apprehensions expressed, that the proposed US legislation on nuclear cooperation with India will not be allowed to become an instrument to compromise India's sovereignty. Our foreign policy is determined solely by our national interests. No legislation enacted in a foreign country can

take away from us that sovereign right. Thus there is no question of India being bound by a law passed by a foreign legislature. Our sole guiding principle in regard to our foreign policy, whether it is on Iran or any other country, will be dictated entirely by our national interest.

7. Let me now turn to some of the concerns that have been expressed on the second set of issues regarding possible deviations from assurances given by me in this august House on the July 18, 2005 Joint Statement and the March 2, 2006 Separation Plan. I would like to state categorically that there have neither been nor will there be any compromises on this score and the Government will not allow such compromises to occur in the future.
8. Hon'ble Members will recall that during President Bush's visit to India in March this year, agreement was reached between India and the United States on a Separation Plan in implementation of the India-United States Joint Statement of July 18, 2005. This Separation Plan had identified the nuclear facilities that India was willing to offer, in a phased manner, for IAEA safeguards, contingent on reciprocal actions taken by the United States. For its part, the United States Administration was required to approach the US Congress for amending its laws and the Nuclear Suppliers' Group for adapting its Guidelines to enable full civilian nuclear cooperation between India and the international community.
9. The US Administration had thereafter approached the US Congress to amend certain provisions of the United States Atomic Energy Act of 1954, which currently prohibit civil nuclear cooperation with India. The US House of Representatives International Relations Committee passed a Bill on the subject on 27th June 2006. The House of Representatives passed the Bill as approved by its International Relations Committee on July 27.
10. The Senate Foreign Relations Committee passed its version of the Bill on June 29, 2006. The US Senate is now expected to vote on this version of the Bill some time in September. We have concerns over both the House and Senate versions of the Bill. Since the two Bills are somewhat different in content, according to US practice they will need to be reconciled to produce a single piece of legislation. After adoption by both the House and the Senate, this would become law when the US President accords his approval. The final shape of

the legislation would, therefore, be apparent only when the House and the Senate complete the second stage of assent/adoption.

11. Meanwhile, the US Government has approached the Nuclear Suppliers' Group to adapt its guidelines to enable full civil nuclear cooperation between India and the International community. In March this year, the NSG at its plenary meeting in Brazil held a preliminary discussion on this issue. The matter will be further discussed by the Nuclear Suppliers' Group later this year. On our part, we have separately raised this issue with several countries and urged them to lift the existing restrictions on nuclear supplies to India. I myself have raised this issue with the Heads of State or Government of Russia, France, UK, Japan, Germany, Brazil, Norway, Iceland and Cyprus, among others.
12. In view of the concerns voiced by the Hon'ble Members, I shall try to address each of these concerns in some detail. I shall, however, begin by affirming that our approach is guided by the understandings contained in the July 2005 Joint Statement and the March 2006 Separation Plan. What we can agree with the United States to enable nuclear cooperation must be strictly within these parameters.
13. The key provisions to which references have been made in Parliament and outside are the following:
 - (i) Full Civil Nuclear Cooperation : The central imperative in our discussions with the United State on Civil Nuclear Cooperation is to ensure the complete and irreversible removal of existing restrictions imposed on India through iniquitous restrictive trading regimes over the years. We seek the removal of restrictions on all aspects of cooperation and technology transfers pertaining to civil nuclear energy - ranging from nuclear fuel, nuclear reactors, to re-processing spent fuel, i.e. all aspects of a complete nuclear fuel cycle.

This will be the surest guarantee of India's acceptance as a full and equal partner of the international nuclear community, even while preserving the integrity of our three stage nuclear programme and protecting the autonomy of our scientific research and development. We will not agree to any dilution that would prevent us from securing the benefits of full civil nuclear cooperation as amplified above.

- (ii) Principle of Reciprocity : I had earlier assured the House that reciprocity is the key to the implementation of our understanding contained in the July 2005 Statement. I stand by that commitment. When we put forward the Separation Plan, we again made it clear to the United States that India could not be expected to take on obligations such as placing its nuclear facilities under safeguards in anticipation of future lifting of restrictions. India and the United States have held one round of discussions on a proposed bilateral cooperation agreement. India and the IAEA have held technical discussions regarding an India-specific Safeguards agreement. Further discussions are required on both these documents. While these parallel efforts are underway, our position is that we will accept only IAEA safeguards on the nuclear facilities, in a phased manner, and as identified for that purpose in the Separation Plan only when all nuclear restrictions on India have been lifted. On July 29 last year, I had stated that before voluntarily placing our civil nuclear facilities under IAEA safeguards, we will ensure that all restrictions on India have been lifted. There has been no shift in our position on this point.
- (iii) Certification : The draft Senate Bill requires the US President to make an annual report to the Congress that includes certification that India is in full compliance of its non-proliferation and other commitments. We have made it clear to the United States our opposition to these provisions, even if they are projected as non-binding on India, as being contrary to the letter and spirit of the July Statement. We have told the US Administration that the effect of such certification will be to diminish a permanent waiver authority into an annual one. We have also indicated that this would introduce an element of uncertainty regarding future cooperation and is, not acceptable to us.
- (iv) India as a State possessing Advanced Nuclear Technology : Hon'ble Members may recall that the July Statement, had acknowledged that India should be regarded as a State with advanced nuclear technology enjoying the same advantages and benefits as other states with advanced nuclear technology, such as the US. The July Statement did not refer to India as a

Nuclear Weapons State because that has a particular connotation in the NPT but it explicitly acknowledged the existence of India's military nuclear facilities. It also meant that India would not attract full-scope safeguards such as those applied to Non-Nuclear Weapon States that are signatories to the NPT and there would be no curbs on continuation of India's nuclear weapon related activities. In these important respects, India would be very much on par with the five Nuclear Weapon States who are signatories to the NPT. Similarly, the Separation Plan provided for an India-specific safeguards agreement with the IAEA with assurances of uninterrupted supply of fuel to reactors together with India's right to take corrective measures in the event fuel supplies are interrupted. We have made clear to the US that India's strategic programme is totally outside the purview of the July Statement, and we oppose any legislative provisions that Mandate scrutiny of either our nuclear weapons programme or our unsafeguarded nuclear facilities.

- (v) Safeguards Agreement and Fuel Assurances : In this respect too, it is worth emphasizing that the March 2006 Separation Plan provides for an India-Specific Safeguards Agreement with the IAEA, with assurances of uninterrupted supply of fuel to reactors that would be placed under IAEA safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. We, of course, have the sovereign right to take all appropriate measures to fully safeguard our interests. An important assurance is the commitment of support for India's right to build up strategic reserves of nuclear fuel over the lifetime of India's reactors. We have initiated technical discussions at the expert level with the IAEA on an India-Specific Safeguards Agreement. Both the Bilateral Nuclear Cooperation Agreement with the United States and the India-Specific Safeguards Agreement with the IAEA would be only within the parameters of the July Statement and the March Separation Plan. There is no question of India signing either a Safeguards Agreement with the IAEA or an Additional Protocol of a type concluded by Non-Nuclear Weapons States who have signed the NPT. We will not accept any verification measures regarding our safeguarded nuclear facilities beyond

those contained in an India-Specific Safeguards Agreement with the IAEA. Therefore there is no question of allowing American inspectors to roam around our nuclear facilities.

- (vi) Integrity and reliability of our strategic programme – autonomy of decision-making and future scientific research and development: In my statement of March 7, 2006, I had assured Parliament that the Separation Plan would not adversely affect our strategic programme. I reiterate that commitment today. The Separation Plan has been so designed as to ensure adequacy of fissile material and other inputs for our strategic programme, based on our current and assessed future needs. The integrity of our 3-Stage nuclear programme will not be affected. The autonomy of our Research and Development activity, including development of our fast breeder reactors and the thorium programme, in the nuclear field will remain unaffected. We will not accept interference by other countries vis-à-vis the development of our strategic programme. We will not allow external scrutiny of our strategic programme in any manner, much less allow it to be a condition for future nuclear cooperation between India and the international community.
- (vii) Moratorium on production of fissile material: Our position on this matter is unambiguous. We are not willing to accept a moratorium on the production of fissile material. We are only committed to negotiate a Fissile Material Cut-off Treaty in the Conference on Disarmament in Geneva, a commitment which was given by the previous government. India is willing to join only a non-discriminatory, multilaterally negotiated and internationally verifiable FMCT, as and when it is concluded in the Conference on Disarmament, again provided our security interests are fully addressed.
- (viii) Non-discriminatory Global Nuclear Disarmament: Our commitment towards non-discriminatory global nuclear disarmament remains unwavering, in line with the Rajiv Gandhi Action Plan. There is no dilution on this count. We do not accept proposals put forward from time to time for regional non-proliferation or regional disarmament. Pending global nuclear disarmament, there is no question of India joining the NPT as a non-nuclear weapon state, or accepting full-scope

safeguards as a requirement for nuclear supplies to India, now or in the future.

- (ix) Cessation of Future Cooperation : There is provision in the proposed US law that were India to detonate a nuclear explosive device, the US will have the right to cease further cooperation. Our position on this is unambiguous. The US has been intimated that reference to nuclear detonation in the India-US Bilateral Nuclear Cooperation Agreement as a condition for future cooperation is not acceptable to us. We are not prepared to go beyond a unilateral voluntary moratorium on nuclear testing as indicated in the July Statement. The same is true of other intrusive non-proliferation benchmarks that are mentioned in the proposed US legislation. India's possession and development of nuclear weapons is an integral part of our national security. This will remain so.

14. Hon'ble Members will appreciate the fact that an international negotiation on nuclear energy cooperation particularly when it involves dismantling restrictive regimes that have lasted for over three decades is a complex and sensitive exercise. What we are attempting today is to put in place new international arrangements that would overturn three decades of iniquitous restrictions. It is inevitable, therefore, that there would be some contradictory pulls and pressures. This does not mean that India will succumb to pressures or accept conditionalities that are contrary to its national interests.
15. I had personally spoken to President Bush in St. Petersburg last month on this issue, and conveyed to him that the proposed US legislation must conform strictly to the parameters of the July 18, 2005 Statement and the March 2, 2006 Separation Plan. This alone would be an acceptable basis for nuclear cooperation between India and the United States. India cannot, and is not prepared to, take on additional commitments outside this agreed framework or allow any extraneous issues to be introduced. I have received an assurance from the US President that it was not his intention to shift goalposts, and that the parameters of the scope of cooperation would be those contained in the July 2005 Joint Statement and the March 2006 Separation Plan. A White House Statement of Administration Policy of July 26, 2006 recognizes some, though not all, of India's concerns, and conveyed that the Administration has voiced them with the

Congress.

16. I can assure you that there is no ambiguity in our position in so far as it has been conveyed to the US. The US is aware of our position that the only way forward is strict adherence to July Statement and March Separation Plan. I am hopeful that the bilateral India-US Civil Nuclear Cooperation Agreement when concluded will take into account the issues raised here. However, I must be honest and frank that I cannot predict with certainty the final form of the US legislation or the outcome of this process with the NSG, which consists of 45 countries with divergent views. We are hopeful that this will lead in a direction wherein our interests are fully protected and that there is a complete lifting of restrictions on India that have existed for three decades. Such an outcome if it materializes will contribute to our long-term energy security by enabling a rapid increase in nuclear power. It would lead to the dismantling of the technology denial regimes that have hampered our development particularly in hi-tech sectors. I will have wide consultations including with the members of the Atomic Energy Commission, the nuclear and scientific communities and others to develop a broad based national consensus on this important matter. I wish to inform members of the House that I have invited members of the Atomic Energy Commission on the 26th August for a meeting. That same day I have also invited the group of distinguished scientists who have expressed concerns to meet me.
17. Finally, I would only like to state that in keeping with our commitments to Parliament and the nation, we will not accept any conditions that go beyond the parameters of the July 18, 2005 Joint Statement and the March 2, 2006 Separation Plan, agreed to between India and the United States. If in their final form the US legislation or the adapted NSG Guidelines impose extraneous conditions on India, the Government will draw the necessary conclusions, consistent with the commitments I have made to Parliament.

[Prime Minister also gave the following responses to points raised by the Left parties]

1. Whether the deal will give “full” civilian nuclear technology and lift all existing sanctions on dual use technology imposed on India for not signing the NPT.

Response: The objective of full civil nuclear cooperation is enshrined

in the July Statement. This objective can be realized when current restrictions on nuclear trade with India are fully lifted. In accordance with the July Statement, US has initiated steps to amend its legislation and to approach the NSG to adapt its guidelines. We seek the removal of restrictions on all aspects of cooperation and technology transfers pertaining to civil nuclear energy – ranging from supply of nuclear fuel, nuclear reactors, reprocessing spent fuel, i.e., all aspects of complete nuclear fuel supply. Only such cooperation would be in keeping with the July Joint Statement.

2. Cannot accept restrictions on Indian foreign policy to be imposed such as on Iran, irrespective of whether it is in the policy section or in the sense of the House section of the legislation.

Response: Government is clear that our commitments are only those that are contained in the July Joint Statement and in the Separation Plan. We cannot accept introduction of extraneous issues on foreign policy. Any prescriptive suggestions in this regard are not acceptable to us.

Our foreign policy is and will be solely determined by our national interests. No legislation enacted in a foreign country can take away from us this sovereign right.

3. Signing of IAEA safeguards in perpetuity for the civilian programme to take place after the US Congress had approved a “123 Nuclear Cooperation Agreement”. All restrictions on India to be lifted before we sign the IAEA safeguards.

Response: I had conveyed to Parliament on July 29, 2005 on my return from Washington that before placing any of our nuclear facilities under IAEA safeguards, we will ensure all restrictions on India have been lifted. Under the Separation Plan agreed to with the United States, India has offered to place under IAEA safeguards 14 of its reactors presently operating or under constructions between 2006 and 2014. The nuclear facilities listed in the Separation Plan will be offered for safeguards only after all nuclear restrictions have been lifted on India. This would include suitable amendments to the US legislation to allow for such cooperation, the passing of the bilateral agreement with India and the adaption of the NSG guidelines. It is clear that India cannot be expected to take safeguards obligations on its nuclear facilities in anticipation of future lifting of restrictions.

4. Guarantees on fuel as agreed in the March 2006 statement.

In case the US reneges on supply of fuel, they will ensure continuity through other members of the Nuclear Suppliers Group (NSG).

Response: Separation Plan includes elaborate fuel supply assurances given by the United States. Understandings in the Separation Plan also provide for contingency of disruption of fuel supplies to India. In such a case, the United States and India would jointly convene a group of friendly supplier countries (Russia, France and United Kingdom) aimed at restoring fuel supplies to India. An important assurance is the commitment of support for India's right to build strategic reserves of fuel over the life time of its nuclear reactors. In the event of disruption of fuel supplies despite the assurances, India will have a right to take corrective measure to ensure the operation of its nuclear reactors.

5. India will work for an FMCT and for nuclear disarmament with all nuclear weapon states, in line with the Rajiv Gandhi Plan or Delhi Declaration in tandem.

Response: Our support for global nuclear disarmament remains unwaivering. Prime Minister Rajiv Gandhi had put forward an Action Plan in the 1988 UNGA Special Session on Disarmament. We remain committed to the central goal of this Action Plan, i.e., complete elimination of nuclear weapons leading to global nuclear disarmament in a time-bound framework. India has agreed to negotiations in the Conference on Disarmament in Geneva for a Fissile Material Cut-off Treaty. There has been no change in our position on this matter.

6. In the original deal, there is no provision for US inspectors, only provision for IAEA inspectors. The draft US Bills contains such provisions.

Response: In the Separation Plan, we have agreed to offer for IAEA safeguards nuclear facilities specified in the Separation Plan for that purpose. The nature of safeguards will be determined by an India specific safeguards agreement with the IAEA. This will be applied to the safeguarded nuclear facilities in India. Therefore, there is no question of accepting other verification measures or third country inspectors to visit our nuclear facilities, outside the framework of the India specific safeguards agreement.

7. An India-specific protocol and not an Additional Protocol as per IAEA Standard Modified Protocol.

Response: In the Separation Plan, we have agreed to conclude an

India specific safeguards agreement with the IAEA. The question of an Additional Protocol will arise only after the India specific safeguards agreement is in place. As a country with nuclear weapons, there is no question of India agreeing to a Safeguards agreement or an Additional Protocol applicable to non-nuclear weapon states of the NPT.

8. References to Iran in the House Bill.

Response: We reject the linkage of any extraneous issue to the nuclear understanding. India's foreign policy will be decided on the basis of Indian national interests only.

9. Reference to Proliferation Security Initiative in the House and Senate Bills.

Response: The Proliferation Security Initiative (PSI) is an extraneous issue as it is outside the framework of the July 18 Joint Statement. Therefore, we cannot accept it as a condition for implementing the July Statement. Separately, the Government has examined the PSI.

We have certain concerns regarding its legal implications and its linkages with the NPT. We also have concerns with amendments to the suppression of Unlawful Activities at Sea Treaty under the International Maritime Organisation.

10. The Jackson-Vanik Amendment linking the granting of MFN status to USSR to Jewish emigration is an example relevant to the current debate.

Response: We have studied the proposed US legislation very carefully, including the so-called binding and non-binding provisions. The non-binding provisions do not require mandatory action, but at the same time, have a certain weight in the implementation of the legislation as a whole. We have conveyed our concerns to the US Administration in this respect. Jackson-Vanik Amendment was binding on the Administration and cannot be cited as a precedent for non-binding references in the current bills. A more accurate example than the Jackson-Vanik Amendment is the set of provisions accompanying the renewal of MFN status to China, that included references to China's human rights, China's political and religious prisoners, protection of Tibetan heritage and freedom of political expression.

11. Role of Parliament in approving foreign policy.

Response: India follows a Parliamentary model, as specified in our Constitution, wherein treaty making powers rest with the Executive. However, we have kept Parliament fully in the picture regarding various stages of our negotiations with the United States. Broad based domestic consensus cutting across all sections in Parliament and outside will be necessary. We will work towards that objective by addressing various concerns as fully as possible.

[Prime Minister also gave the following responses to points raised by the group of nuclear scientists]

1. "India should continue to be able to hold on to her nuclear option as a strategic requirement in the real world that that we live in, and in the ever-changing complexity of the international political system. This means that we cannot accede to any restraint in perpetuity on our freedom of action. We have not done this for the last 40 years after the Non-Proliferation Treaty came into being, and there is no reason why we should succumb to this now. Universal nuclear disarmament must be our ultimate aim, and until we see the light at the end of the tunnel on this important issue, we cannot accept any agreement in perpetuity."

Response: We are very firm in our determination that agreement with United States on Civil Nuclear Energy in no way affects the requirements of our strategic programme. We are fully conscious of the changing complexity of the international political system. Nuclear weapons are an integral part of our national security and will remain so, pending the global elimination of all nuclear weapons and universal non-discriminatory nuclear disarmament. Our freedom of action with regard to our strategic programmes remains unrestricted. The nuclear agreement will not be allowed to be used as a backdoor method of introducing NPT type restrictions on India. Our offer to put nuclear facilities under safeguards in perpetuity is conditional upon these facilities securing fuel from international sources for their life time. If the fuel supply assurances as enumerated in Separation Plan are disrupted, then India will have the right to take corrective measures to ensure the continued operation of these reactors.

2. 'After 1974, when the major powers discontinued cooperation with us, we have built up our capability in many sensitive technological areas, which need not and should not now be subjected to external control. Safeguards are understandable where external assistance for nuclear materials or technologies are involved. We have agreed to this before, and

we can continue to agree to this in the future too, but strictly restricted to those facilities and materials imported from external sources.'

Response: Sensitive nuclear technology facilities have not been covered in the Separation Plan. Therefore, there is no question of putting them under safeguards or under external controls. Even with regard to nuclear facilities that have been included in Separation Plan, safeguards will be applied in phases between 2006 and 2014. These safeguarded facilities will be eligible for and will receive fuel materials and technology from international sources. If such supplies cease, then India will be free to protect its interests through corrective measures. That will be spelt out clearly in the India specific safeguards agreement.

3. 'We find that the Indo-US deal, in the form approved by the US House of Representatives, infringes on our Independence for carrying out indigenous research and development in nuclear science and technology. Our R&D should not be hampered by external supervision or control, or by the need to satisfy any international body. Research and technology development are the Sovereign rights of any nation. This is especially true when they concern strategic national defence and energy self-sufficiency.'

Response: Our independence for carrying out independent research and development in nuclear science and technology will remain unaffected. There will be no external supervision of our R&D since none of the sensitive R&D facilities which handle nuclear material have been included in the Separation Plan. Nothing in the Separation Plan infringes on our sovereign right to conduct research and technology development concerning our national defence and energy self-sufficiency. Government is committed to preserve the integrity of the three stage nuclear power programme, including utilization of our vast thorium resources. Certain nuclear facilities including centers such as TIFR, Variable Energy Cyclotron Centre, Saha Institute of Nuclear Physics etc., have been designated as civilian in the Separation Plan. As these facilities will not handle nuclear material, there is no question of safeguards being applied to them. We expect these centers to participate as full partners in international collaboration project.

4. 'While the sequence of actions to implement the cooperation could be left for discussion between the two governments, the basic principles on which such actions will rest is the right of Parliament and the people to decide. The Prime Minister has already taken up with President George Bush the issue of the new clauses recommended by the US House of Representatives. If the US Congress, in its wisdom, passes the bill in its

present form, the 'product' will become unacceptable to India, and diplomatically, it will be very difficult to change it later. Hence, it is important for our Parliament to work out, and insist on, the ground rules for the nuclear deal, at this stage itself.'

Response: I had taken up with President Bush our concerns regarding provisions in the two bills. It is clear that if the final product is in its current form, India will have grave difficulties in accepting the bills. US has been left in no doubt as to our position. The ground rules for our discussions are clear. These are the parameters of the July Statement and the March Separation Plan and commitments given by me to Parliament in the three Suo Moto Statements and my reply to today's discussions will be the guiding principles of our position. Parliament has been kept fully informed at every stage of the discussions. In their final form, if US legislation or the NSG guidelines impose extraneous conditions on India, the Government will draw the necessary conclusions consistent with my commitments to Parliament.

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073. Speech of Chairman of Atomic Energy Commission Dr. Anil Kakodkar at the 50th General Conference of International Atomic Energy Agency.

Vienna, September 20, 2006.

Mr. President, Kindly accept our congratulations on behalf of my Government and on my own behalf on your election as the President of the 50th General Conference. I am sure, under your able leadership and with the support of your team and the Secretariat of the Agency, this General Conference will be able to accomplish the tasks before it.

I take this opportunity to welcome the entry of the Republic of Palau, the Republic of Mozambique, the Republic of Malawi and the Republic of Montenegro to the Membership of IAEA.

Let me also use this occasion to once again congratulate Director-General Dr. Mohamed El Baradei and the Agency for the well deserved Nobel Peace Prize.

Mr. President, I would like to begin with a message from our Prime

Minister Dr. Manmohan Singh to this fiftieth session of the General Conference of the Agency and I Quote:

“I am happy to convey my greetings to Members of the International Atomic Energy Agency, its Director-General, and members of IAEA Secretariat on the occasion of this 50th General Conference. Over the past five decades, the Agency has made commendable progress in fulfilling its objectives as laid down in its Statute. The Nobel Peace Prize awarded to Dr. El Baradei and the Agency last year is a timely and well deserved tribute to the IAEA's contribution.

The International Atomic Energy Agency is a unique organization in the entire UN system, founded on a strong science base and dedicated to spreading understanding of and knowledge about the benefits of atomic energy in a safe and secure manner, with special attention to those areas of the world where developmental needs and aspirations are yet to be fulfilled and are therefore most pressing. With issues related to energy resource sustainability assuming increasing salience and global climate change looming large as arguably the most serious challenge of our time, atomic energy with its immense energy potential and readily available and deployable technologies has become an inevitable and indispensable part of the solution.

Nuclear energy being unique in its ability to regenerate more fuel from uranium and thorium several ten-folds while producing energy, offers us the possibility of meeting global energy requirements in a non-polluting and sustainable manner. However, if we are to be successful in realizing the potential of the atom in meeting our needs, we need to act in concert consistent with the spirit of global harmony and adhering to our respective international commitments. The IAEA and Director-General deserve high compliments for ensuring that the Agency is an effective platform for the global community to work together in its noble mission of 'atoms for peace and prosperity'.

India, home to one-sixth of the world population and having embarked on a rapid economic growth path, has a strong interest in utilizing the full potential of atomic energy for national development. I am confident this will be realized, based on our natural endowment of vast thorium resources and the development of effective technologies for their utilization.

We have developed advanced technological capability based on our

own self-reliant efforts, while having maintained an unblemished record of responsible behaviour. I am glad that the emerging possibility for expanding civil nuclear cooperation between India and the international community would supplement and complement our domestic efforts to meet the developmental aspirations of our people through additional nuclear energy inputs. We look forward to cooperating with international partners in realizing this possibility.

While nuclear power is of crucial importance for sustainable development, of equal significance are other peaceful applications of atomic energy. The Agency's Programme of Action for Cancer Therapy (PACT) is one such important effort which I am happy to learn is being given special emphasis. India having developed significant experience in affordable cancer – related programmes has been supporting this activity actively, and would be pleased to offer a recently developed Cobalt – 60 teletherapy machine (BHABHATRON) as a contribution to the Agency's PACT.

It is my hope that the fiftieth session of the General Conference would be an important milestone in the ongoing and future work of the Agency. I wish you all productive deliberations and progress in your important tasks. My greetings and good wishes to all." Unquote

Mr. President, The Agency and the Department of Atomic Energy, India, have traced history together. This year is also the 50th year of the Bhabha Atomic Research Centre, (BARC), the premier nuclear research centre in India. Dr. Homi Bhabha, the founder of the Indian Atomic Energy Programme, was the President of the first Geneva Conference on 'Peaceful uses of Atomic Energy' held during August 1955.

Mr. President, The activities in atomic energy in India continue to make progress in accordance with the well established three stage nuclear power programme. Units 3 and 4 of the Tarapur Atomic Power Station, which are the 540 MWe indigenously designed and built Pressurised Heavy Water Reactor (PHWR) systems, are now in commercial operation. One more 220 MWe PHWR unit at Kaiga would also become operational before the end of this financial year. The Government of India has recently approved pre-project activities on eight reactor units at four different sites with a total power generation capacity of 6800 MWe. With the completion of these Units alongwith other Units that are already under construction, the total nuclear power generation capacity in India would reach around 14000 MWe.

We now have sixteen reactor units with a total capacity of 3900 MWe in operation. Unit I of Kakrapar Atomic Power Station had a record continuous operation of 372 days before it was shut down for mandatory inspection. The average duration of outage of biennial shutdown has now been reduced to just 26 days.

Major upgrades for ageing management and safety were completed on three PHWR units. The safety upgrades at the two Boiling Water Reactors that started commercial operations in 1969, were completed in just four and a half months. The replacement of all reactor feeders of one of our PHWRs was accomplished for the first time in the world. One of our latest 540 MWe PHWRs was offered for pre-start-up peer review by an expert team of WANO. This was the first ever review of its kind in Asia. We are now ready for implementation of the newly designed 700 MWe PHWR units which would enable further significant reduction in the capital cost per MWe of indigenous PHWR units.

India considers a closed nuclear fuel cycle of crucial importance for implementation of its three stage nuclear power programme with its long-term objective of tapping vast energy available in Indian thorium resources, based on development of effective technologies for their utilisation. This is central to India's vision of energy security and the Government is committed to its full realisation through development and deployment of technologies pertaining to all aspects of a closed nuclear fuel cycle.

As a part of our development efforts in high level radioactive waste management technologies, India achieved two major landmarks this year namely (i) hot commissioning of Advanced Vitrification System (AVS) which employs Joule-heated ceramic melter and (ii) demonstration of Cold Crucible Vitrification Technology.

The Fast Breeder Test Reactor (FBTR) at Kalpakkam, which has been the foundation of our fast reactor programme, has shown excellent performance with an availability factor of over 90% in the last few campaigns. The unique U-Pu mixed carbide fuel used in FBTR has reached a record burn-up of 154.3 GWd/t without a single fuel pin failure. This achievement has been possible through a combination of stringent fuel specifications, quality control during fabrication and inputs obtained from the detailed post irradiation examination of fuel at different stages combined with the modeling of the behaviour of the fuel clad and wrapper materials. This year, we have proposed to introduce mixed oxide fuel with 45% Pu in FBTR in order to increase the power level as well as to provide experience on the behaviour of high Pu content oxide fuel in fast reactors. Last year I had informed that

the carbide fuel discharged from FBTR at a burn up of up to 100 GWd/t had been successfully reprocessed. This experience in the reprocessing campaigns have provided significant inputs to the design of the equipment and flow sheet for the Demonstration Fast Reactor Fuel Reprocessing Plant [DFRP], which is in an advanced stage of construction.

The construction of 500 MWe Prototype Fast Breeder Reactor (PFBR) is on schedule and is expected to be commissioned by the year 2010. In keeping with our philosophy of efficient utilization of a fuel material by closing the fuel cycle, we have embarked on the design and construction of a fuel cycle facility to cater to the PFBR. The facility will be commissioned by 2012.

Simultaneous with the construction of the PFBR we have already initiated programmes towards the conceptualization of the FBRs to follow, with the objective of further enhancing the fuel performance as well as making the energy production more economical. To ensure rapid growth in the fast reactor programme for meeting the energy needs in the country, we have already embarked on R&D programmes targeting towards the introduction of metallic fuel in fast reactors, which would provide much higher breeding. A host of R&D programmes in associated areas such as advanced materials, structural mechanics, heat transport, in-service inspection systems, physics, chemistry, safety, etc., are being pursued to provide R&D inputs for further advancement of FBR technology. This comprehensive and indigenous programme in all major areas provides a strong foundation for India's fast reactor programme. India is also prepared to contribute to international efforts in scaling new technological frontiers in this field as an equal partner with other countries having advanced technological capabilities.

Thorium utilization is the long-term core objective of the Indian nuclear programme for providing energy independence on a sustainable basis. The third stage of the programme is thus based on Thorium-Uranium-233 cycle. We are actively engaged in developing 300 MWe Advanced Heavy Water Reactor (AHWR). The design of this reactor incorporates several advanced features to meet the objectives being set out for future advanced nuclear reactor systems. A critical facility to validate physics design of AHWR will be functional this year. The facility is flexible enough to study the physics of advanced systems, including source driven systems, in future. Development of high current proton accelerator and spallation source for Accelerator Driven Sub-Critical Systems (ADS) is also being pursued. Such systems would offer the promise of shorter doubling time, even with Thorium, and incineration of long lived actinides and fission products, thus leading to the possibility of

eliminating long-lived radioactive waste. A Compact High Temperature Reactor (CHTR), with 100 kW thermal power rating, is being developed as a demonstrator of technologies relevant for next generation high temperature reactor systems. Such reactor systems will address the needs such as electricity generation in remote places, production of alternative transportation fuel such as hydrogen, and refinement of low-grade coal and oil deposits to recover fossil fluid fuel.

India has had a fusion research programme of its own since the early eighties. Two tokamaks have been indigenously built. The Steady State Super conducting Tokamak-SST-1 is currently undergoing commissioning tests. India has recently joined ITER as one of seven full partners. On the basis of indigenous experience and expertise available in Indian industry, India will contribute equipment to ITER and will participate in its subsequent operation and experiments. Indian scientists are also working on establishing an India- based Neutrino observatory for doing comprehensive research in Neutrino Physics, an area in which Indian research groups have sustained interest and have made significant contributions. We would welcome participation of interested international scientific groups in this effort. The 2.5 GeV synchrotron radiation source Indus-2 being set up at Raja Ramanna Centre for Advanced Technology, Indore, has started functioning. The utilization of the storage ring for condensed matter studies using the synchrotron radiation from the bending magnet beam lines has also begun.

The excellent safety record of Indian reactors and other facilities has been achieved through sustained Research and Development programmes. As part of the safety studies on nuclear containment structures, the construction of a 1:4 size containment test model has been initiated at Tarapur. The ultimate load capacity of the containment would be studied on this test model and the experimental results would be available to the participants of a round robin exercise, which is being organized by us. We would welcome participation of interested research groups in this exercise.

As in the previous years, we have been interacting with the IAEA very closely in almost all its activities. We have been an active participant in the IAEA – INPRO programme. We were one of the six countries to perform a national case study for development of INPRO methodology under INPRO phase-1B part-1 activity which was done using the Indian Advanced Heavy Water Reactor. We are also involved in joint case studies on fast reactor with closed fuel cycle and high temperature reactors for hydrogen generation. We have also contributed to chapters of the INPRO

document on guidance and methodology for assessment of economics, safety and waste management. We strongly support international cooperation through cooperative research and joint initiatives, as envisaged under INPRO phase-2. India remains supportive of the IAEA fulfilling its statute responsibilities, particularly the developmental and international cooperative dimensions of nuclear energy.

The Indian programme on the application of radioisotope and radiation in health, agriculture, industry, hydrology, water management and environment for societal benefit has a close match with several activities of the Agency. Our experts thus take active part in all Agency activities. As a founder member, we participate actively in RCA activities. Last year, we had hosted 6 events in India. We have also hosted 34 IAEA Fellows and Scientific visitors. I am glad to inform this gathering that the International Union Against Cancer (UICC) selected the Tata Memorial Centre in Mumbai for the "Outstanding UICC Member organization" award for its outreach programmes related to cancer control. PACT programme drawn up by the Secretariat deserves our fullest and speedy support.

Mr. President, A special event on "New Framework for Utilisation of Nuclear Energy in the 21st Century: Assurances of Supply and Non-Proliferation" is currently in progress as a part of this General Conference. Out of the current fleet of 443 nuclear power reactors operating in the world, less than half are under IAEA safeguards. Even in this scenario and with a very slow growth of nuclear power in the last two decades, the volume of human and financial resources needed for implementation of IAEA safeguards have constituted a large fraction of the resources available to the Agency. Now with anticipated rapid growth in demand for nuclear power, mainly in the developing countries, cost effective safeguards are essential so that the safeguard system does not itself become an hindrance to the development of nuclear power while at the same time providing the necessary assurances in terms of verification. India therefore feels it is necessary to look for institutional as well as technological solutions with enhanced proliferation resistance along with an assured fuel supply, without adversely affecting long-term sustainability of nuclear fuel resources. Thorium offers a very important and attractive solution from this perspective and we urge the Agency and its members to give serious consideration of the possibilities offered by the Thorium route.

Over the years India has developed advanced capabilities in the utilization of thorium, as a part of its strategy to enhance nuclear capacity through a closed nuclear fuel cycle that would enable timely deployment of its thorium reserves. We are convinced that this is a viable and sustainable

strategy for India's and global long term energy security. Seen in the context of nuclear power becoming a significant fraction of energy supply in a world where everyone is assured of a minimum of 5000 KWh of energy in a year, entire global Uranium if used in once through mode would last only a few tens of years. Even with a shorter term perspective of deployment of a proliferation resistant nuclear energy system that could address the need for incineration of available surplus plutonium, the use of thorium, in reactors using proven technologies, presents a vastly superior option as compared to other options based on fast reactors. In my presentation at the special event tomorrow I would elaborate on this aspect further. I will urge the IAEA to give a further boost to its activities that could lead to an early expansion of global reach and volume of deployment of nuclear energy, using thorium based fuel cycle as one of the important routes to reach the goal.

We have been constantly reminding the Agency of the need to maintain a balance between its promotional and safeguards related activities. The risk arising out of global climate change and rapid depletion of global fossil fuels is real and substantial. We believe that future enhancement of the share of nuclear energy as a clean energy source is possible and feasible in a manner that satisfies the imperatives of nuclear safety and security. Let us therefore resolve that we would pool our scientific and technological abilities together in finding holistic solutions so that the next 50 years are seen as the golden period of nuclear energy development in meeting global energy needs. As a responsible state with advanced nuclear technological capabilities, India is prepared to play its part in this glorious endeavor.

Thank you Mr. President.

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074. Statement by Member of the Indian Delegation to the UN Mufti Mohammed Sayeed on Agenda Item 81: Report of the International Atomic Energy Agency at the 61st session of the UN General Assembly.

New York, October 30, 2006.

Please see Document No. 580

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075. Statement by External Affairs Minister Pranab Mukherjee on the passage of the Bill on Indo-US Civil Nuclear Cooperation in US Senate.

New Delhi, November 17, 2006.

1. We welcome the passage of the Bill on Indo-US civil nuclear cooperation in the US Senate by an overwhelming majority. This, undoubtedly, reflects the very broad bipartisan support which this initiative enjoys.
2. President Bush and Secretary of State Rice have worked personally to ensure the passage of the Bill and we express our sincere appreciation for their tireless efforts.
3. We now expect that the final version of the legislation, which would emerge after the Joint Conference of the House and Senate, should adhere as closely as possible to the understandings incorporated in the July 18, 2005 Indo-US Joint Statement and the March 2006 Separation Plan, so that full civil nuclear cooperation between India and the US becomes a reality and contributes to India's energy security.
4. We understand that, as per present indications, the Joint Conference will convene after the passage of the Bill, and the final version will likely come up for a vote by both Houses when they reconvene after the Thanksgiving holidays, on December 4, 2006. We must await the final version before drawing any conclusions on the legislation¹.

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1. On December 6 in answering questions in the Lok Sabha on the Bill specifically those dealing with joint research; the External Affairs Minister said: "An amendment to the waiver Bill passed by the US Senate on November 16, 2006 to enable full civil nuclear energy cooperation with India envisages setting up of a cooperative threat reduction (CTR) programme to further common non-proliferation goals. No prior discussions on setting up such a programme have taken place between the two Governments. By its very nature, establishing such a programme would require the agreement of Government of India, which would take a decision after fully taking into account all aspects of our national security. In fact, US Congress had earlier legislated on establishing a CTR programme with India under the Department of Defense Appropriations Act 2002, which has not been implemented. Government of India has conveyed its concerns with regard to current versions of the legislation to the US side. It is our position that the final legislation adhere as closely as possible to the understandings contained in the India-US Joint Statement of July 18, 2005 and the March 2006 Separation Plan."

076. Address by Dr Anil Kakodkar, Chairman, Atomic Energy Commission on the occasion of signing of the Agreement¹ on the establishment of the ITER International Fusion Energy Organization for the Joint Implementation of the ITER project.

Paris, November 21, 2006.

President Chirac, European Commission President Barroso, excellencies, ladies and gentlemen, I would like to begin with a *Shloka* from Rig Veda, one of our ancient scriptures.

Translated it means
Seven Bay Steeds harnessed to thy car bear thee,
O thou farseeing One, God, Surya, with the radiant hair.....

Our ancestors intuitively grasped the importance of the Sun as the Ultimate Provider and Sustainer of Life on Earth! What they perhaps did not foresee is that one day their progeny would imitate the sun right here on earth to cater to vastly increased energy needs! India is proud to be a partner in this enterprise of getting the man made star - ITER - off the ground with our shoulders to the wheellike one of the seven mythological steeds pulling on the carriage of the Lord Surya - the Sun!

Today, we take a momentous step towards realization of our common goal to seek a clean source of energy of a magnitude capable of supporting a decent quality of life for the entire humanity. Fusion has the potential to provide abundant and clean energy based on resources available everywhere without significant ecological issues associated with mining of earth's resources. It is in this context that the Indian delegation is very happy to be a part of this historic human scientific endeavour. At this point, allow me to record our appreciation of the hard and sustained efforts on part of all those who have contributed to ITER project development and progress made to date.

Most current estimates suggest that the world's population would

1. The Agreement on the establishment of ITER (International Thermo-nuclear Experimental Reactor) International Fusion Energy Organisation was signed in Paris for the joint implementation of the ITER project. The signatories were the seven parties of the ITER i.e. China, European Union, India, Japan, the Republic of Korea, the Russian Federation and the United States of America.

reach around 8 billion over the next 25 years with another billion in the following 20 years. Virtually all increase will be in the developing countries. Thus the core challenge for development is to provide access to energy for all at affordable prices based on a technology that is acceptable from the point of resource and environmental sustainability.

Speaking specifically about India, in spite of being one of the top 5 electricity producing countries, we still have very low per capita electricity consumption. The objective of electrification of all villages is yet to be realized. Studies indicate that even to reach a modest target of per capita generation of about 5000 kWh, total annual electricity generation has to be about 11 to 12 times the generation at present. While immediate increase would inevitably come from fossil fuels, nuclear energy has to play a significant role in the coming decades. We have an ambitious programme to tap fission energy based on closed fuel cycle approach. However, considering the size of our country and rapid growth in economy, even that is not likely to be sufficient in the long term. There is thus a need to look at new technologies such as fusion that provides even larger energy potential. We have been pursuing fusion science and technology programme at our Institute for Plasma Research, Gandhinagar. Our scientists have already designed and fabricated two tokamak devices Aditya and the steady state superconducting tokamak SST 1. Many technologies of relevance to the forefront of fusion research have been developed by our scientists and engineers in collaboration with our industries. We thus bring to the table a combination of strong commitment from the government and special scientific and technological skills, which are of relevance to ITER and to fusion research.

Ladies and gentlemen, we have gathered here today for a historic occasion. We have just signed the ITER agreement which is a unique step in the history of mankind. It is the first time that more than half of the world is standing together shoulder to shoulder and looking at a technological challenge in the eye and telling it with confidence "Thou shalt be conquered!" It is perhaps a harbinger of the future telling humanity how it must face up to its problems and solve them. A model to be followed again and again.

I am happy that all issues related to cooperation have been resolved, the Director-General, Principal Deputy-Director-General and the Deputy Director Generals have joined the ITER team in Cadarache. Now the next step is to strengthen the technical team at Cadarache with an appropriate balance of experienced and young engineers and scientists and to provide

them with an environment which rapidly promotes the task of implementation of the project. We must do this ensuring that the critical human resource from original ITER teams is fully utilized and that long term and viable management tools for ITER are immediately put into place. Ladies and gentlemen, on behalf of the Government of the Republic of India and on my own behalf, I wish this cooperative venture a grand success. Thank you.

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077. Question in the Lok Sabha: “Current Status of Indo – US Nuclear Deal.

New Delhi, November 22, 2006.

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- a) the current status of the Indo-US Nuclear Deal;
- b) the number of meetings held in this regard since July, 2005;
- c) the details of discussion held and the outcome of these meetings;
- d) whether the conditions put forward by the US have been sorted out;
- e) if so, the details thereof;
- f) whether the separation of civil and defence nuclear facilities have since been carried out;
- g) if so, the details in this regard;
- h) whether special protection is likely to be provided to companies entering this sector;
- i) if so, the details thereof; and
- j) the time by which supply of nuclear material is likely to commence?

The Minister of External Affairs (Shri Pranab Mukherjee):

- (a) The US Congress is currently considering amendment to US laws to enable full civil nuclear energy cooperation with India. On 26 June 2006, the US House International Relations Committee passed a Bill H.R. 5682 titled “United States and India Nuclear Cooperation Promotion Act of 2006” with a strong majority of 37-5. Later the Bill

was passed with an overwhelming majority of 359-68 by the US House of Representatives on 26 July 2006. Similarly, US Senate Foreign Relations Committee approved by a vote of 16-2 its version of the Bill S.3709 entitled the "United States and India Peaceful Atomic Energy Cooperation Act" on June 29, 2006. On 16 November 2006, the US Senate in its lame duck session passed the Bill by an overwhelming majority of 85-12. A Conference will be convened shortly by the Congress to reconcile the House and Senate versions of the Bill which will then be voted upon in its final form by both chambers.

(b)-(c) The nuclear understanding has been discussed with the US side in several meetings since July 18, 2005. Notable meetings, apart from the meetings referred elsewhere in the note, inter alia, include:

- | Meeting between President Bush and Prime Minister on March 2, 2006 in New Delhi
- | Meeting between Prime Minister and President Bush in New York on September 25, 2005.
- | Meeting between Prime Minister and President Bush in St. Petersburg on July 17, 2006.
- | Meetings with leaders in the US Congress during the visits of Foreign Secretary to Washington DC.
- | Meeting between Foreign Secretary and US Under Secretary Burns in Washington DC in April 2006.
- | Meeting between Foreign Secretary and US Under Secretary Burns in London on May 23, 2006.
- | Meeting between Foreign Secretary and US Under Secretary Burns in Paris in July 2006.
- | Meeting between Foreign Secretary and US Under Secretary Burns in New York in September 2006.
- | Meeting between RM and US Secretary of State Condoleezza Rice in New York on September 21, 2006.

The above meetings were used to exchange views and take stock of

the process underway to bring about full civil nuclear energy cooperation, and to convey India's concerns on some aspects of the legislation under consideration in the US Congress.

Earlier, an India-US Working Group was set up for implementation of the nuclear understanding and met four times: in Delhi from October 21-22, 2005, in Washington DC from December 21-22, 2005, in Delhi from January 19-20, 2006 and again in Delhi from February 23-24, 2006.

India-US Bilateral Nuclear Cooperation Agreement

Both sides held one round of 123 negotiations from June 12-14, 2006 during which substantial progress was registered. Foreign Secretary also met Under Secretary Burns in July and September 2006 to discuss US legislation and the next steps on the 123 Agreement negotiations. Thereafter, an informal meeting between teams of the two countries took place in New Delhi from November 6-8, 2006 to discuss various concepts pertaining to the legislation and unresolved issues in the agreement.

Discussions with IAEA

Discussions with IAEA on the Safeguards Agreement were initiated when the Chairman of the Atomic Energy Commission, Dr. A. Kakodkar visited Vienna in early March 2006 for a meeting with the Director General of the IAEA. Subsequently, an IAEA team visited New Delhi for discussions with the Indian side on July 8, 2006.

Adjustment of NSG Guidelines

As part of its commitments, US circulated a statement in the NSG in March 2006 proposing to adjust NSG Guidelines with respect to India to enable full civil nuclear cooperation. An Indian delegation made a presentation to the NSG meeting in Vienna in October 2006. We have also taken up this issue bilaterally with a number of countries.

(d)-(e) Prime Minister had made a statement during a Short Duration Discussion in Rajya Sabha on 17 August and in Lok Sabha on 23 August 2006. The statements made clear that anything that went beyond the parameters of July 18 Joint Statement would be unacceptable to India. There were elements of concerns with regard to what is in the current version of the Bills, and these had been conveyed to the US Government. It would be premature to predict

the eventual outcome of this process or to comment on the matter till we have seen the legislation in its final form.

The India-US nuclear understanding is as laid out in the July 18, 2005 Joint Statement and the Separation Plan tabled in Parliament by the Prime Minister on March 7, 2006. There is no question of accepting any additional requirements beyond those contained in July 18, 2005 Joint Statement and March 2006 Separation Plan. This has been conveyed to the US side. The US side in its Statement of Administration Policy of July 26, 2006 issued after the passage of the House version of the Waiver Bill has clarified that any conditions imposed by the waiver bills to be passed by US Congress that goes beyond the July 18 2005 Joint Statement would not be acceptable to the US Administration.

- (f)-(g)** India finalized its Separation Plan in March 2006 and it was tabled in the Parliament by the Prime Minister on March 7, 2006. The full and complete version of this plan was once again laid on the table of the Parliament by PM on 11 May 2006. The Separation Plan has laid out the schedule of placing India's nuclear reactors under safeguards beginning from 2007. As, Prime Minister stated in the Parliament, on 17 August 2006, India will not place its nuclear facilities under safeguards till all restrictions on India are lifted.
- (h)-(i)** Government of India is seized of all aspects of the matter. However, specific policy decisions would need to be taken only at an appropriate time.
- (j)** It is premature to speculate on the specific time by which supplies could commence as the process to enable full civil nuclear energy cooperation with India is still underway.

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078. Suo Motu Statement by External Affairs Minister Pranab Mukherjee on 'Indo-US Civil Nuclear Co-Operation' in Lok Sabha.

New Delhi, December 12, 2006.

I rise to share with this august House recent developments pertaining to the implementation of the understanding between India and the United States on the resumption of civilian nuclear energy cooperation. A reconciled Bill for this purpose was passed by the US House of Representatives and the Senate on 8/9 December 2006.

This nuclear understanding with the USA is significant from the larger perspective of our energy security. Energy has become a critical constraint to expanding our economic growth and development. We have to expand our generating capacity in every form of energy. Presently, nuclear energy provides less than 3% of our energy mix. Our current estimates envisage nuclear power generation of 30,000 MWe by 2022 and 63,000 MWe by 2032. The absence of international cooperation seriously constrains us from reaching these nuclear energy targets. India is today seriously pursuing several energy options including clean coal technologies, exploitation of coal bed methane and gas hydrates, wind as well as solar power. India can today expand its access to other forms of energy, relying on market mechanisms to do so. Our access to nuclear energy is impeded by an international regime and requires a political solution consistent with our national security and energy requirements.

The US Administration committed in the 18th July Joint Statement to adjust its laws that otherwise prohibited civil nuclear energy cooperation with India. Although the passage of any legislation is an internal matter of that country on which we would not otherwise comment, this legislation is an enabling measure necessary for civil nuclear energy cooperation to be worked out between India and the United States. Keeping that in mind, the enactment of waivers from certain provisions of the US Atomic Energy Act, which allows the United States to cooperate with India in civilian nuclear energy despite our not accepting full scope safeguards and despite maintaining a strategic programme, is significant. We recognize the initiative that President Bush has taken to make these exceptions for India possible. We also note the bipartisan support that this initiative has garnered in the US Congress.

The legislation that has been passed is an enabling measure that will now allow US negotiators to discuss and conclude with India a bilateral cooperation agreement, which is popularly known as a 123 Agreement. Such an agreement is a pre-requisite for nuclear cooperation and trade with the United States.

In parallel, we are engaging the International Atomic Energy Agency with the intention of negotiating and concluding an India-specific Safeguards Agreement and an Additional Protocol. At a broader level, we have already been discussing with member States of the Nuclear Energy Suppliers' Group (NSG) the need for an adjustment of their guidelines to permit transfers to India. We have briefed them collectively on various issues of mutual interest and look forward to their taking a decision on the adjustment of NSG guidelines at an appropriate time. We should bear in mind that while every stage of this process is important, the test of this process is for India to secure full civil nuclear cooperation with the international community while protecting our strategic programme and maintaining the integrity of our three-stage nuclear programme and indigenous research and development.

I would like to inform the House that the US Administration has categorically assured us that this legislation enables the United States to fulfill all of the commitments it made to India in the July 18 and March 2 Joint Statements and that this legislation explicitly authorizes civil nuclear cooperation with India in a manner fully consistent with those two Statements. We fully expect the July 18 Statement and the March 2 Separation Plan to be reflected in the text of the 123 Agreement.

In regard to the principles and concerns that guide our approach to the nuclear understanding, the Prime Minister had set forth the Government's position when he spoke to the Parliament on August 17, 2006. These principles and concerns continue to remain the basis for our engagement with the United States and the international community on the tasks ahead. I would also like to share with the House that the Government has taken note of certain extraneous and prescriptive provisions in the legislation. We have always maintained that the conduct of foreign policy determined solely by our national interests is our sovereign right. We have also been clear that our strategic programme remains outside the purview of these discussions. We will not allow external scrutiny of or interference with the strategic programme.

Eventually, our objective is that technology denial regimes that have

targeted India for so many decades must be dismantled so that our national development is unimpeded. We are also committed to creating a climate where our scientists and technologists can participate in and contribute to international initiative in various fields. We have taken a big step towards that goal and I am sure that the House would continue to support us in that endeavour.

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079. Speech of Prime Minister in the Lok Sabha on the Civil Nuclear Energy Cooperation with the U. S.

New Delhi, December 18, 2006.

PRIME MINISTER (DR. MANMOHAN SINGH): Mr. Speaker, Sir, I am grateful for this opportunity to intervene in this debate on an issue of high national importance. I pay my tribute to Members who have participated in these discussions. This debate does credit to our democratic ethos and principles. Hon. Leader of the Opposition has tried to paint a stale picture, which has no relation with the facts of the matter. In a process, he has sought also to divide UPA alliance in the expectation that perhaps he may succeed in toppling this Government. I can assure Shri Advani that he will have to wait for a very very long time. In any case, he will have to seek the permission of Shri Atal Bihari Vajpayee.

Mr. Speaker, Sir, in this debate, there are certain basic issues. What is it that we are trying to seek in this Civilian Nuclear Cooperation with the United States and other members of the international community. I would like to emphasis, this is a programme about Civilian Nuclear Cooperation. We have never discussed with the United States or with anybody about the content and the scope of our strategic programme and I have assured the House before, and I repeat that assurance that our strategic programme will respond to our own decisions and it will not be subjected to any international scrutiny of any country. I have also assured the House before that in going forward with this programme of Civilian Nuclear Cooperation, we will do nothing which will hurt the ability of our Department of Atomic Energy to pursue research and development; to pursue the development of Fast Breeder Reactors; and to pursue the complete three cycle

programme from Uranium to Plutonium to Thorium. I can assure the House that I stand by that commitment.

Then, this question arises: Why all this turmoil? It is certainly true that the Act that has been passed by the United States Congress has several features which are in our favour. The fact that the United States Government has gone to the US Congress to seek a waiver for India speaks volume of India's recognition in the world community as a power to be reckoned.

There are elements in the Act which we will welcome and there are other elements which cause us concern. The United States Administration has assured us that they will be able to fully comply with their commitments as outlined in the July 18 Statement or the March 2 Statement or the Separation Provision but whether this thing materializes or not will very much depend upon the content of the 123 Bilateral Cooperation Agreement which we have to negotiate with the United States Government. I believe you can judge us from the content of that Agreement when the time comes but right now, quite frankly, it is premature to pass the type of verdict that the Leader of the Opposition has sought to do.

Our primary concern has been the lifting of international restriction on international trade with India on nuclear materials, nuclear equipment, and nuclear technologies which has lasted for nearly 35 years. Our nuclear scientists have done us proud but it is also a fact that the nuclear programme which Dr. Bhabha had envisaged as giving rise to immense power being made available out of this programme that objective has not been realized. I was a member of the Atomic Energy Commission and it was in the seventies that we had laid down an objective of 10,000 megawatt of capacity. We are in the year 2006 and entering 2007, our total capacity is only about 3600 megawatt. I am not saying that nuclear power is a panacea for all our ills on the energy front but the purpose of Government intervention in the nation's affairs must be to widen the development option. I do believe that if you have access to international trade in nuclear technologies and equipment that will widen our development options with regard to our energy supplies, that is the primary objective that we see and that is the primary objective by which we should be judged. At the same time, of course, if in the process we make compromises of a type which hurt our national interest, if in the process we undertake any foreign policy commitments which interfere with the pursuit of our national interest or the independence of our national foreign policy, the House can take legitimate exception and I would be the last

one to plead to the House that we should live with an arrangement where India's foreign policy is made in Washington or any other place.

Therefore, I do believe a sense of proportion is necessary in dealing with a sensitive matter which has a vital bearing on not only the future of development in our country but the future of our relations with major powers in the world.

I was in Japan three days ago and the amount of enthusiasm about India's development prospects that was found in the Japanese Government, in Japanese Industry and trade, I have never seen it before. I say it with humility, it is partly the result of the recognition that has come our way that despite the fact that we were till yesterday the pariah in the nuclear world, today we have acquired a place in the nuclear order which protects our essential interests and we must not, therefore, ignore the amount of transformation that has come about in the world's view of India in the process of these nuclear negotiations.

Sir, as I was saying, the first important stage to cross has been the waiver that has been granted by the US Congress to the US President. That despite the fact that we have a nuclear weapon programme the US will be willing to co-operate with us in the development of civilian nuclear capacities. That, I think, itself is a great advantage. We will not be considered the nuclear weapon State in the sense of the term in which the term is defined in the NPT. Therefore, for all practical purposes we are here and this is a recognition which comes today totally from the US. It is Russia, France, United Kingdom and many other countries are willing to recognize the reality that India is a nuclear weapon State. That this nuclear weapon programme will not be subjected to any extraneous, intrusive supervision or monitoring is a commitment which I gave when I spoke on many occasions and I repeat that assurance. Therefore, an important stage has been reached in the process of nuclear co-operation with the United State with the passage of legislation by the US Congress with substantial bipartisan support. Shri Advani ridiculed that bipartisan support. I do not minimize the importance.

Shri Advani's Government was negotiating in secret with Mr. Strobe Talbot for umpteen number of months. They never had the courage to tell Parliament what is it that they were negotiating. I have at every stage taken Parliament into confidence. After July 18, after March 02 and at every stage Parliament has been fully kept in the picture. This was not the case with

the NDA. We do not know till this day what is it that Shri Jaswant Singh discussed with Strobe Talbot. We had to find out from Shri Strobe Talbot's book that this was essentially a promise to deliver India's signature to CTBT by a particular date. I heard him saying – if my friends in the NDA value the words of Mr. Strobe Talbot more than mine and I think, he was shown on the New Delhi Television channel — a few days ago that he was opposed to this deal with India because that gave India too much and he said that if India were now to say that we reject it, then, he said, that would not be in India's interest. But what is of India's interest is not something to be determined by Mr. Talbot. It has to be determined by this Parliament and this Government and we will not do anything behind the back of our country. We will keep the country fully informed of all these matters.

What has been done basically is an enabling clause in pursuance of the undertakings of the United States in the July Joint Statement that it would seek to adjust US laws and policies to achieve full civil nuclear cooperation with India. This Act is necessary for the United States to resume civil nuclear cooperation with India and also an important step leading to the lifting of international restrictions currently applicable to India.

Let me say that we appreciate the efforts made by the US Administration and the bipartisan support in the US Congress which has led to the passage of this legislation. This law has several positive features which take into account our concerns. However, I will be the last one to deny that there are areas which continue to be a cause for concern and we will need to discuss them with the US Administration before the bilateral cooperation agreement can be finalized.

What has been done was to enable the US Administration to enter into negotiations with us. The negotiations with India have yet to begin and the House has my assurance that the promises and the commitments I made, I spoke in the House on earlier occasions, will be our guidelines for these negotiations.

Sir, the passage of the legislation enables the US Administration to follow up on another commitment made by the US in the July 18 Joint Statement, namely, approaching its international partners, particularly in the Nuclear Suppliers Group to lift restrictions to allow civil nuclear cooperation with India. We will seek to ensure that the Nuclear Suppliers Group takes action to permit full civil nuclear cooperation with India in terms acceptable to us.

India is interested in long-term, stable and predictable cooperation in civil nuclear energy with the United States and other members of the international community. Such a partnership with the United States can be facilitated if the legislation – its scope, content and implementation- were to strengthen the hands of the Administration to fulfill all the commitments agreed to by the US in the July 18 Joint Statement and the March 2 Separation Plan. On the other hand, this objective can be hindered by extraneous issues that were not part of the understandings in the July 18 Joint Statement and the March 2 Separation Plan. India will find it difficult too and cannot accept any such conditions over and above those already agreed to in the understandings with the US. I have mentioned it earlier also.

Our strategic programme was outside the discussions that led to the July 18 Joint Statement. There was no discussion on details of our strategic programme, which culminated in the March 2 understandings. Our strategic programme will not be subject to external scrutiny or interference of any kind. So, Shri Advani does not have to worry about the future of the nuclear programme.

Safeguarding the autonomy of the strategic programme is a solemn duty of this Government. Nothing will be done that will compromise, dilute or cast a shadow on India's full autonomy in the management of its security and national interests. I repeat that no legislation of a foreign country can take away from us our sovereign right to conduct foreign relation, be it with Iran or with other countries, solely in accordance with our national interest.

The US for its part has assured us that the legislation, as passed by the US Congress, will enable it to fulfill all its commitments vis-à-vis the July 18 Joint Statement and the March 2 Separation Plan. We feel clarifications are necessary because there are areas in the Act which causes us concern. Therefore, clarifications are necessary and will be sought from the US on how this will be done.

International negotiations are a complex process. We recognize that the outcomes are not entirely predictable nor always under our control but I do recognize and do state that compromises, if any, cannot violate basic principles. I believe that any calculation of risks and opportunities will need to be done in a reasoned and transparent manner but evidently we cannot agree to anything that is not consistent with our vital national interests, including protecting the autonomy of our strategic programme, maintaining the integrity of the three-stage nuclear power programme and safeguarding

indigenous R&D, including the Fast Breeder Programme. This will be our underlying approach – I am replying to Shri Rupchand Pal — when we negotiate the bilateral 123 Agreement, which will form the basis of our civil nuclear cooperation.

Looking back, though the July 18 Joint Statement and the March 2 Separation Plan involved complex issues, I believe, we were able to achieve outcomes that in no way compromised India's interests. In fact, there was wide public support when the issues were fully explained. This has been made possible using innovative and creative approaches to these complex issues. There is, I believe, a large measure of support within the country in favour of breaking out of our isolation, and in joining the international mainstream in a manner that secures for India full civil nuclear cooperation with the international community while protecting our strategic programme and maintaining the integrity of our three-stage programme and indigenous R&D. This is the objective set out as far as the bilateral nuclear agreement is concerned.

Parliament has my solemn assurance that while the Government will make every effort so that the vision of the July Statement becomes a reality, this objective will not be achieved at the cost of our vital national interests. Clearly, difficult negotiations lie ahead. Our broad approach and expectations of these negotiations are a matter of public record. My August 17th 2006 Statement, dwelt at length on how India perceives the implementation of the July Statement and the March Separation Plan. I stand by the commitments that I have made to Parliament.

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080. Speech of External Affairs Minister Pranab Mukherjee in the Lok Sabha on Civil Nuclear Energy Cooperation with the U. S after adoption of the Henry J. Hyde Act by the US Congress.

New Delhi, December 18, 2006.

Madam Chairman, I express my gratitude to all the hon. Members who have participated in this discussion. A number of points have been raised in this discussion. The Members have highlighted some of the issues concerning the national interest and also the broad vision keeping in view the way the Government is proceeding on this matter.

Normally, in a debate like this, there would be divergence of views. That is the essence of democracy. But at the same time, it speaks of the mind of the nation in a way that the divergent views which are prevailing in the body polity get reflected in the observations of the representatives of various political parties.

When the Prime Minister mentioned that there is a broad national consensus, he meant that a broad national consensus is there that India must move forward and India must have access to the technology which has been denied for so long. If our scientists and technologists have access to this technology, they can do wonders and I do not think anybody, wherever he or she may be sitting in this House, will disagree with this objective. This is precisely the objective with which the Government initiated the process to have the civil nuclear cooperation arrangement with the United States of America.

Keeping that broad objective in view, the Joint Statement of 18th July, 2005, which reflected the essence of all the essential parameters of this agreement, was placed before the House. The Separation Plan which was worked out – America was fully involved with this Separation Plan – was also placed before the House as also the agreement of 2nd March, 2006.

Thereafter, the Prime Minister explained in detail concerning all issues in his reply to the debate on 17th August 2006.

I will touch upon the first point on which the Leader of the Opposition has made, to my mind, a very strong plea. He has indicated that we have mortgaged the Foreign Policy; we have jeopardized our security concern; there will be no Pokhran III and Pokhran IV. Pokhran I and Pokhran II had

already taken place. But most respectfully, I would like to submit for the consideration of the House, who declared unilateral moratorium. What prompted them to do so? What prompted them to do so within a few months of the Second Pokhran Explosion?

It took place in May 1998. They came to power in March 1998. Surely, a layman would appreciate that everything was ready, the previous Government, for the best visions, did not take the decision and they owned that decision. The only phrase which we use repeatedly, justifiably and we stuck to that is that yes we have the capabilities. That is why we keep our nuclear options open. We did not close that option. That was the message which our young Prime Minister conveyed to the international community in the Disarmament Conference that we are in a position to manufacture nuclear weapons, if we so desire. We are almost screwdrivers away from that stage that we are willing to continue in the threshold level and we do not want to graduate ourselves to be a nuclear weapon State provided uni-nuclear weapon States and other countries of the world agree for the total nuclear disarmament. That is what we said.

We established our capabilities in 1974. We were just screwdrivers away. That is why within less than three months after coming to power, they could do that. What prompted the Leader of the Opposition to say that Pokhran III and Pokhran IV are mortgaged for all time to come? What did they say?

The then Prime Minister, Shri Atal Bihari Vajpayee stated on 24th September 1998 in the UNGA and I quote:

“These tests do not signal a dilution of India’s commitment to the pursuit of nuclear weapon disarmament. Accordingly, after concluding this limited testing programme, India announced a voluntary moratorium on further underground nuclear test explosion. We conveyed our willingness to move towards a *de jure* formalization of this obligation in announcing a moratorium. India has already accepted the basic obligation of the CTBT in 1996. India could not have accepted that obligation as such a restraint would have evaded our capability and compromised our national security.”

Therefore, they did it and they accepted it. This statement was repeated in the following year by the then Foreign Minister and today they are accusing us that there cannot be a Pokhran III and there cannot be a Pokhran IV.

You yourself accepted that nuclear disarmament is one of the basic objectives of it. Even today, we have submitted a working paper to the United Nations, we wanted nuclear disarmament. The Prime Minister has already assured you as to what is the rationality of having a separation plan. If the civilian nuclear agreement with the USA would cover the strategic programme, then what was the rationality of having a separation plan? This itself speaks that it cannot be a part of the arrangement which we are entering into with the United States of America. This is completely a different plan, and surely we are not expecting to have any support from them for this programme. We will carry on this programme; we will carry on our own the strategic programme; and we will use our own fuel and materials, whatever would be needed, and that is why the Prime Minister is quite confident that there cannot be any compromise on it, and there cannot be any inspection so far as this is concerned.

Now, Sir, certain portions have been quoted by a large number of Members. Most respectively I would like to submit that it is the pattern of the US legislation, particularly two Sections. Almost in every legislation, Section 101 is the normal short title of the Bill; Section 102 and Section 103, one speak the sense of the House and another speak of the policies of the United States of America, and these are of recommendatory natures. These are not of the mandatory natures. If there is a reference to FMCT, there is a reference to the nuclear weaponization programme, in respect of some of these recommendations it would be the obligation of the United States Administration to provide the necessary information to the Congress but it is not an obligation to me, to us not even to provide the necessary information. They can collect that information on their own, and actually they are doing so.

A number of Reports are made to the Congress by the US Administration in respect of human rights, in respect of bonded labour, in respect of child labour, and sometimes some activities work on that. It is their practice. So far as we are concerned, the Prime Minister has very correctly pointed out as to what this Bill is. Why did I say that normally we do not comment on the legislation of another country? What is the purpose of this Bill? The purpose of this Bill is to provide waiver, waiver not to India, waiver to the US Administration to enable them to enter into an agreement with India for the civil nuclear programme. Why was this waiver needed? It was needed because of the 1954 Act that if any country had tested nuclear explosions, then they would be debarred to be a partner with the USA in any nuclear programme.

If all the nuclear arrangements of a country are not under total safeguard of the IAEA, that country is not eligible to be a partner with the USA for any nuclear cooperation programme. If a country has nuclear weapons, that country is not eligible to be a partner, to be an arrangement for Civilian Nuclear Cooperation with the USA as per the USA law. Therefore, these waivers were necessary. Without these waivers, the US Administration is unable to deal with India in respect of the Civilian Nuclear Cooperation arrangement. So, this is being done.

A number of questions have been raised saying: "When this is debated in the US Congress, it is not a final state; when it is debated in the US Senate, it is not a final stage." When the reconciliation conference takes place, even then you are saying that it is not the final stage. Yes, it is not the final stage. These are the various stages of the process. The process is yet to be completed. Negotiation under Section 123 of their Act is to begin, it is to start; and what we have said is how we are going to safeguard our interest.

When the Prime Minister talks of the reciprocity, what does he say? He says that 'before we accept the full safeguard, this 123 Agreement is to be finalized.' That is the arrangement because once we enter into the safeguard, the safeguard would be for perpetuity in respect of those imported materials, equipment and fuel. But before we enter into that, all our concerns are to get reflected in the 123 Agreement, which is yet to be done. NSG (Nuclear Supplier Group) is also to amend their rules, their guidelines because as per their Supply Groups, they do not deal with a country, which is having their nuclear weapon programme.

Therefore, those guidelines are also to be amended to suit the Indian requirement. When we are going to enter into an arrangement with IAEA safeguard protocol, that will also have to be India-specific because the three conditionalities are required for entering into Civilian Nuclear Programme, and India does fulfill that requirement. That is why these explanations ought to be made, these ought to be made India-specific.

Now, somebody is saying: "What is great in it?" It is true, that in foreseeable future, nuclear power is not going to be a big component in our energy basket. We are to depend on coal; we are to depend on hydro power; we are to depend on imported hydrocarbons; and we are to depend on our non-conventional energy. But at the same time, nuclear energy is going to be a very major component in foreseeable future because that is the cleanest energy, which is available. Volatile oil market is known to everybody; it need not be explained in details.

Somebody was talking that we have huge quantity of Thorium. Yes, we know that one-third is in our country. Thirty per cent of the Thorium reserves are in our country. But the big block is access to technology. This barrier should be removed. It is not merely in respect of mere nuclear energy, nuclear power, but we have to remove apartheid. The Leader of the Opposition took exception to the word 'apartheid'. It is apartheid. Despite the best brain, best talent, our scientists cannot show their mettle to the fullest extent because of the lack of access to these technologies and lack of access to the equipment. Are we not aware of the fact that how much problem we had to face to get a supercomputer or the cryogenic engine and how did it affect some of our very important strategic programmes? We do not even have access to the dual use technology.

What is the relevance of USA? Somebody tried to import extraneous political elements. There is no need of bringing it. Unless you have okayed it from the US, unless US extends the collaboration and co-operation, no other country is going to do that. At least, the Leader of the Opposition should be fully aware and he should be fully conversant with that fact because he was in the Government during the current period for at least five to six years.

How much problem we are facing to have access to the technology, to have equipment, to have the materials which we want to have? But does that mean we should compromise our basic national interest? The Leader of the Opposition says Indian Foreign Policy has been mortgaged. I have heard this phrase umpteen number of times. I do not know how many times sovereignty can be mortgaged. In 1994 when I signed the Agreement of WTO, Mr. Speaker, Sir, a senior colleague—I cannot take his name—on the floor of this House, said you have bartered our sovereign right of international trade. After a couple of years, when they came to power, they did not make a change in the comma and full stop of that Agreement and to justify the agreement, they had to reprint the argument which I gave on the floor of both the Houses.

Therefore, do not take these things so lightly. Nobody is going to mortgage sovereignty, not to speak of the Congress Party which has served for the freedom of this country in its long history. Even after Independence, they had to fight for all sorts of obscurantist forces; and to fight against even obscurantist forces, they had to sacrifice the lives of their supreme leadership starting from Mahatma Gandhi to Rajiv Gandhi. Therefore, do not think that a Congress Prime Minister is going to mortgage

the sovereignty, independent decision making broad national interest.

Then regarding the expression of opinion by different legislative bodies, the other day I was watching with interest though I have nothing to do but my friends from West Bengal may be interested in knowing the language in which the West Bengal Legislative Assembly passed a unanimous Resolution condemning the attack on Iraq. It is their own sovereign legislation. They have expressed it. Many Legislatures expressed their views on different issues.

Therefore, Mr. Speaker, I do feel that we need not be unnecessarily agitated on the norms. The basic issue is that whether we are going to maintain the parameters which have been clearly indicated in the July 18th Statement, in the 2nd March Statement and in the 123 Agreement which we are going to sign.

Therefore, the option would be this. If we cannot have the full agreement and if our parameters do not get reflected on it, it may not go through. But why should we say so? Why should we not try? Everybody in the world recognizes it and I am pretty sure if by accident, there is no way that by normal chance of their coming to power on this side, they will use the same argument to defend the action which they will be pursuing. Therefore, let us not go to that aspect of the issues.

A question has been raised whether our independent, three-stage research programme would be maintained. It would be maintained. It cannot be interfered with. It is because we have to protect it. Why are they saying that the US Administration is saying that? Even after this Bill being passed, the Secretary of State was on record that it would be possible for the Administration to implement the commitments which they have made to India in the 2nd March and 18th July Statements. They are fully aware of it. They have analysed their own legislation which has been passed by their own Congress. When they are saying it and when we are going to have this agreement, after this when we will be entering into it, let us wait for it. What is the harm in it?

We are not doing anything behind the back of Parliament. At every stage, whenever a demand has been there that there should be a discussion, readily we have agreed. This is the third or fourth, I think fourth, discussion here. If it is required, it would be done there. Next time it would be done. But if somebody wants to expand the scope of the debate and discussion, I am afraid, Mr. Speaker, Sir, it cannot be done. It cannot be done that the international agreements will have to be ratified by the Parliament. That

position cannot be accepted because it is a larger issue. For that you require a mandate. None of us spoke that we will amend the Constitution and bring this provision within the Constitution. Yes, many countries have it. When our Constitution-makers drafted the Constitution, they were fully aware of it. They had not got it.

I would not give the example; but I know. I signed one agreement with my neighbouring country for having some hydel power project some time in 1995 as the then Foreign Minister. But because of the internal political situation and the situation prevailing in the Parliament of that country, till 2006 it has not been ratified. Therefore, these issues are also to be kept in view. Let us not be carried away by emotion. Yes, on the demand that Parliament should be taken into confidence, the Parliament should be informed, we are already ready to do that.

Questions have been raised about the scientific community. I do not know whether any Government discussed with the scientific communities in so many details on so many times as this current Government has done. Dr. Manmohan Singh himself was the member of the Atomic Energy Commission. For umpteen number of times he himself has the fraternity with the scientific community. Naturally, the scientific community may feel concerned on certain areas. Whenever they feel concerned, their concerns are taken note of. As he has pointed out, I can reiterate that nothing will be done which will stand in the way of our indigenous development, indigenous research and development programme because that is the core of our strength and we cannot compromise, under any situation, with that core strength of our economy, of our national asset.

On foreign policy, the hon. Prime Minister has already explained in detail. We do not believe that the relationship with one country is dependent on the relationship with other country. We have never accepted that proposition. We had a very successful visit of the Chinese President very recently. China has excellent relations with Pakistan. That does not stand in the way of our building up excellent relations with them. Therefore, these relations are independent. If somebody wants to say that it is inclusive, then I have myself stated that certain phrases are there which are extraneous and prescriptive. It is for them to use that type of phrases, but it does not concern us.

So long as the text of the main agreement is concerned, Mr. Speaker, Sir, I think that I have covered in general terms the issues which have been

raised. An assurance has been given by no less a person than the Prime Minister. I need not reiterate it.

Thank you Mr. Speaker, and hon. Members, for giving me this opportunity of sharing some of my thoughts with you.

Thank you.

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081. Speech of External Affairs Minister Pranab Mukherjee in the Rajya Sabha replying to the Short Duration Discussion on the Indo - U. S. Civil Nuclear Energy Cooperation.

New Delhi, December 19, 2006.

Mr. Deputy Chairman, Sir, before I start my observations, I would like to inform the House that the Prime Minister had the intention of intervening, but because of his tooth problem, he cannot speak. That is why what he wanted to assure the House, convey to the House, on his behalf, I will do so. But he has taken the trouble, despite physical illness, to spend large part of his time to listen to the debate in the House.

Mr. Deputy Chairman, Sir, at the very outset, I would like to express my gratitude to all the Members who have participated in this discussion and made very valuable contributions. I have been associated with this House for so long that I became almost a fixture of this House, from the late 60's till the last Lok Sabha elections. According to my experiences, any Parliamentary debate, and, especially, in this House, and also, today's debate, despite some interruptions, speak of the high tradition of the House. Members, while making their contributions, demonstrated their knowledge, their appreciation of the situation, and their information; I congratulate them. It is not necessary for me or for anybody to agree with every view which is expressed on the floor of the House because divergence and dissension is the essence of democracy which we have followed, which we have cherished. I think this would be the fifth discussion which we have had. Some hon. Members, perhaps, in over-enthusiasm, stated that Parliament is not taken into confidence. It is not correct, because the whole process began with the joint statement of Prime Minister, Dr. Manmohan Singh and

President Bush on 18th July, 2005. After that, there have been four occasions — in July, 2005, February 27, 2006, March 7, 2006, and August 17, 2006, and before the end of the year 2006, on 19th of December, 2006, we are having discussions for the fifth time. If anybody can correct me, I will appreciate him that on any piece of subject, or, title, so much debate and discussions have taken place and in every one of it, Prime Minister himself has participated. It is true. It is the constitutional provision and neither you nor me have the mandate to change the Constitution. If I remember correctly, one election in this country was fought on the basis of a mandate to change the Constitution. That was in 1971 when the executive came into confrontation with the judiciary and one important judicial pronouncement put restrictions on the amending procedures of Parliament in Golaknath's case. Before that, the Lok Sabha was dissolved. In that election, one of the major issues was that the then Prime Minister sought the mandate of the people that "I would like to amend the Constitution for a social legislation, for a social purpose. I do not have the majority. Two-thirds majority is required." And, on that basis, she got a massive mandate. The Twenty-fourth amendment of the Constitution took place for the first time in article 368. The constituent power of the Parliament was institutionalised. Therefore, it cannot be just on the desire of somebody that you amend the Constitution. But short of that, short of having ratification by the Parliament at all important stages, the Executive takes the matter to the Houses and seeks the advice and guidance from the Houses. That has been the practice in the past and this practice is followed even now.

Sir, let me start by saying that I was listening to the entire debate since 1 o'clock and sometimes, I thought that I was not in the Upper House of the Indian Parliament, but in one of the chambers of United States of America, because we were discussing the Hyde Act. While making a *suo motu* statement, I had mentioned that this has some relevance but not all. Now, what is the relevance of the Act? To my mind, this is a matter between the US Executive and the US Legislature. When the Executive decided upon having cooperation with India on civil nuclear deal, they knew it very well that the 1954 Act stands in the way, and unless the Executive gets some waiver from the Legislation, that cannot extend civilian nuclear cooperation to India, because India had tested nuclear devices. In India, all the nuclear installations are not fully under the safeguard of IAEA, and India has nuclear weapons. Therefore, in these three areas, waivers were required for the Administration to negotiate with India in respect of the civilian nuclear cooperation. This is an enabling legislation, to enable the US Administration to have negotiation with us, and that negotiation will, of course, take place.

I am not going into the details of the US procedures and US systems. There are Constitutional experts here; they know about it much better than me. But one clarification was sought, I think by Dr. Bimal Jalan, and he had raised an issue pertaining to Section 203 of the US law. He asked whether there was any precedent where the US President, despite the intention of the Legislature, the sense of the House, and the US Policy, enacted a law, entered into an agreement, but it was not complied with. And this was in the case of China — Normal Trade Relations with People's Republic of China, Public Order 106-286/October 10, 2000. This is one precedent; there are other precedents also. And if you look at it, exactly in the identical language, 'human rights have been violated by China in Tibet'. The manufactured goods have been produced with the help of bonded and imprisoned labour.

Therefore, US Congress advised the Administration to ensure that these things did not happen. But the US Administration had no way of administering and, therefore, it remained as a desire. Section 103 of the Act, Section 104 of the Act, sense of the House, formulation of the policies of the US Administration are being articulated every year. Dr. Alexander has very clearly explained the constitutional position and the relation vis-a-vis the US Administration and the US Congress. I would not like to go into the details of it. But, surely, Mr. Deputy Chairman, Sir, I would like to make a general observation. The question comes: Who is to interpret the US legislation, its effectiveness and its binding? Me; the Indian Parliament, or the person who is directly concerned, the US President? I would just like to quote a few lines from the statement of President Bush after signing this Agreement with reference to some of the provisions of the Hyde Act. I quote, "Today I have signed into H.R. 5682 and Act containing the Henry J. Hyde United States-India Peaceful Energy Cooperation Act, 2006. That will strengthen the strategic relationship between the United States and India and deliver valuable benefits to both nations. Section 103 of the Act proposes to establish US policy with respect to various international affairs methods. My approval of the Act does not constitute my adoption of the Statements of Policy as United States foreign policy.

Given the Constitution's commitment to the Presidency of the authority to conduct the nation's foreign affairs, the Executive Branch self-construe such policy statements as advised. Also, if Section 104 (d) (ii) of the Act was construed to prohibit the Executive Branch from transferring or approving the transfer of an item to India contrary to Nuclear Suppliers Group Transfer Guidelines that they may be in F.A. at the time of such future transfer, a serious question would exist as to whether the provision on constitutionally

delegated legislative power to an international body.' That is the interpretation of the person who is instructed by the law to implement the Act. That is the rationality in which the Prime Minister assured the House yesterday despite knowing the extraneous and prescriptive provisions, not all but some, of the Hyde. What Prime Minister said yesterday? I can just quote a few lines as he is unable to speak. I quote, "We appreciate the efforts made by the US Administration and the bipartisan support to the US Congress which has led to the passage of this legislation. This law has several positive features which take into account our concerns. However, there are areas which continue to be a cause for concern and we will need to discuss them with the US Administration before the bilateral Cooperation Agreement can be finalised.

The House can rest assured that in these negotiations, the commitments and assurances I gave — I mean the Prime Minister gave — to the Parliament on August 17, 2006, will constitute our guidelines. The passage of the legislation enables the US administration to follow up another commitment made by the US in July 18 Joint Statement, that is, approaching its international partners, particularly, in the industry to lift restrictions, to allow full civil nuclear cooperation with India. We will seek to ensure that the NSG takes action to permit full civil nuclear cooperation with India in terms acceptable to us". Many other paragraphs are there. The total contention, the moot contention, of the assurance is that the Prime Minister's stand committed, the Government of India's stand committed to the Joint Statement of 18 July 2005, to the Separation Plan of the 2nd March, 2006 and to the assurances which the Prime Minister gave to this very House on 17th August, 2006, which is being repeated and reiterated by me right now.

Mr. Deputy Chairman, Sir, a number of issues have been raised. I will try to address some of these issues, because quite a number of other issues that have been made here are extraneous. I am not going into the issues which, to my mind, are extraneous to this debate, like, some American businessmen or some Indian businessmen entered into an arrangement among themselves and to do business. Keeping that in view, this whole arrangement is being done. Now, let us come to the tests and non-proliferation. I have no hesitation to say, yes, I belong to the party which does not believe in Non-proliferation Treaty. Yes, we do believe that nuclear non-proliferation is absolutely necessary for the very existence of civilisation. Because of this very fact, Mr. Deputy Chairman, Sir, from 1974, after the first explosion in Pokharan, repeatedly we refused to sign the NPT. Why? When the whole world signed—Ram Jethmalani has correctly pointed out, except three or four countries, the whole world signed—we refused. Because always we considered that NPT is

a fraud treaty. It is discriminated. It is creating a class where the nuclear weapon states would have the right of stockpiling, of making experiments, horizontally and vertically, while the Non Proliferation Treaty-bound States will not have that right. So, we refused to accept this discriminatory treatment. What was the message which—Mr. Rajiv Gandhi, the then Prime Minister, and my colleague, Mr. Natwar Singh, who is present here, was the Minister at that time—we conveyed to the International Community in the Disarmament Conference of the United Nations? In plain, simple language it was that we are on the threshold, we are screwdrivers away from the manufacturing of weapons. But still, I would desire to continue to be at the threshold level. I would keep my option open. All along you use the phrase that India will keep its option open. We will not foreclose the option. I would not graduate myself to a nuclear weapon states, provided you, the nuclear weapon States, agree to a definitive timeframe for nuclear disarmament.

That was the stand; good, bad, or indifferent too. Even this year, we have presented a paper to the United Nations. But I am really, Mr. Deputy Chairman, Sir, at a loss to understand the logic of the spokesman of the party who indulged in closing the option, going for the test in the month of May. You came to power in March, 1998. Surely, in two months, you were not competent enough to start from zero. Everything was ready. That is why you could take the advantage of going for explosion in May, 1998. Then what had prompted you to declare a unilateral moratorium? What had prompted you not only to declare a unilateral moratorium here but also to reiterate it? Mr. Jaswant Singh wanted to have the documents. Mr. Deputy Chairman, Sir, I have some documents.

This is the text of the speech of Mr. Atal Bihari Vajpayee delivered in the United Nations General Assembly on 24th September 1998. And there too you did not say that you would not go for disarmament; you would not go for non-proliferation. What did you say? “These tests do not signal a dilution of India’s commitment to the pursuit of global nuclear disarmament.” You retained that policy. And what did you say? Thereafter, you went one step ahead and said, “I am ready to sign.” Instead of reading the paragraph, I am quoting the paragraph. The Sl. No. of paragraph is 60. Your speech on 22nd September 1999 where you also quoted the Prime Minister’s speech and stated:

“Last year, my Prime Minister declared in this Assembly that India was engaged in discussions on a range of issues including the CTBT. These discussions are in process and will be resumed by the newly elected

Government. Our position remains consistent. We remain ready to bring — thereafter you came to power — these discussions to a successful conclusion. Naturally, this requires the creation of a positive environment as we work towards creating the widest possible consensus domestically.”

Fine. There is no problem with it. Therefore, the short question, which comes to my mind, is this. Truly, you were talking that you would not have the opportunity of testing. What did we say? What did the Prime Minister say? What is in the Separation Plan? We are not accepting any additional commitment. We are just sticking to the voluntary moratorium which we declared. We are not going to accept any Treaty-bound commitment. We are not going to accept a part of the Treaty which we will sign, because we would like to keep our options open. If situation demands, if the national priority demands, if the superior national interests require, we may have to do that. That will be left to the wisdom of the decision-making authority at that point of time. But we would not like to foreclose the option. We have just exactly retained that commitment which you agreed to, which you did. But we are ensuring that it will not be a Treaty-bound commitment. The Prime Minister stated that it was a hard negotiation. No denial of the fact. The real task to my mind, Mr. Deputy Chairman, Sir, is that the real negotiations will start now, because we shall have to enter into the 123 Agreement. Of course, the 123 Agreement is under the overall Act of 1954.

But, that will be between India and the USA. What has happened right now is between the US legislation and the US Administration, to enable the US Administration to enter into negotiations with us. We cannot place the cart before the horse. Now, the issue which had been raised was that what would happen if the USA, suppose for certain reasons, refuses to supply fuel to us. Would it foreclose the option for us to go to any other NSG countries? Nothing prevents us, in this treaty, to go to others and have it. Nothing compels us. That is why, you will have to have an amendment in the NSG guidelines. The agreement which you will have to enter into with IAEA would be India-specific because these are the few important points that all the nuclear installations are not under total safeguard.

Although India is a nuclear weapon State and India has tested earlier before we entered into this agreement, these provisions, these situations, cannot be undone. This is very much there. Therefore, I will just like to quote a few lines from the conference paper. It has been stated many a time that why they have not accepted India as a nuclear weapon State. We did not seek for a nuclear weapon State status nor can it be conferred by

anybody. It is the ground reality that India has tested twice and India has nuclear weapons. In the second paragraph on page 2 of the conference report, it is stated that section 123 (a) (2) of the Atomic Energy Act requires that a non-nuclear weapon State should have IAEA safeguards on all nuclear material in all peaceful nuclear activities in that State, under its jurisdiction, or carried out under its control anywhere, commonly referred to as full-scope safeguards, as a condition of US nuclear supply and approval for new nuclear cooperation agreements, a requirement that India does not meet and, as a State with nuclear weapons, would be unlikely to meet for the foreseeable future.

This is not my comment. This is the comment in the conference paper that we are not going to meet this requirement in the foreseeable future. On page 12 of the conference paper, the conferees understand that the US peaceful nuclear cooperation with India will not be intended to inhibit India's nuclear weapon programme. There is no intention. Neither we nor anybody else has the intention that somebody will declare us as a nuclear weapon State. Five States are nuclear weapon States. They are not going to expand. They are not going to open the door. It is as simple as that. But the ground reality is that they had to recognise that India has nuclear weapons and India is not going to give up that programme which even the conference paper has admitted.

Mr. Chairman, Sir, the question is that, what would be sequence of the safeguards. The Government has assured the House that before voluntarily placing our nuclear facilities under IAEA safeguards, we would ensure that all nuclear restrictions on India had been lifted. The legislation provides for finalisation of the text of the India-specific safeguard agreement with IAEA, but not its "entry into force." This point is to be appreciated.

It is not "entry into force". The "entry into force" will come after the finalisation of the 123 Agreement. Therefore, I can assure Mr. Yechury that it is not going to be done, whatever be the intention. I don't doubt the source of the quotation which you have made. It is, perhaps, impossible and not going to take place, within such a short period of time, as it is not "entry into force", before the passage of the 123 Agreement by the US Congress. Hon. Members should have noted that it also provides for the NSG guidelines being properly adjusted before the approval of 123 Agreement. The application of safeguards on reactors, identified as civilian by us, will only take place when the international cooperation is resumed. Members should also recall that it should be implemented in a phased

manner up to 2014. Thus the principle of reciprocity has been fully safeguarded. I should add that India would only conclude the safeguards agreement with the IAEA, and not with anybody, not even with the US.

Now, the question is whether full civil nuclear cooperation is going to be met or not. The promise of full civil nuclear cooperation has also been commented upon extensively. It has been argued that the legislation does not address our permanent entitlement to reprocess foreign-origin spent fuel or enrich foreign-origin uranium. Hon. Members who have read the legislation carefully would have noted that there is nothing in the legislation which bars India from reprocessing such spent fuel or enriching imported uranium. I should inform the Members that this particular issue is actually a key element of our ongoing negotiations of 123 Agreement. We are clear that there can be no recurrence of the Tarapore situation where India is denied the right to reprocess the spent fuel. Some Members have expressed concern that the legislation provides for only conditional access to reprocessing, enrichment and heavy water technology. We should note that the US has a universally applicable policy of not transferring such sensitive technologies to any country, irrespective of whether that country is a nuclear weapon State or a non-nuclear weapon State. In that sense, there is no discriminatory provision against India. The legislation, in fact, specifies the condition under which such transfers to India would be possible. While we carefully evaluate the implications, I will also remind Members that our scientists have already established an indigenous infrastructure for processing, enrichment and heavy water production.

Members have expressed some anxiety about the supply assurances worked out on 2nd March, 2006, whether it would be fully honoured in the light of the legislation. The US administration has categorically conveyed, as I have mentioned to you, that the legislation provides that it is the authority to fulfil all those commitments that it has made to India, both in the July 18th statement and in the Separation Plan.

I have already explained to the Members about the issue of conducting nuclear tests.

Now, about the end-use monitoring, some Members have made some comments. I would like to suggest, as Members are aware, that this is not a new practice directed towards India. All the Governments, since 1985, have been implementing the end-use procedures. We have already been scrupulous about honouring our assurances and indeed have established a reputation for responsibility on that basis. At the same time, utmost care

has been taken to see that our national security and strategic autonomy is not compromised in any manner. This will remain our guiding principle. Members should also know that India requires end-use procedures for its own high technology exports.

Some confusion has been sought to be created regarding the basis of India-specific additional protocol. Let me clearly state that references in the legislation to a particular model of additional protocol do not, in any way, detract from our entitlement to negotiate an India-specific additional protocol with the IAEA.

Members would note that even an NPT nuclear weapon State like the USA has followed the same model for its additional protocol with IAEA as the one that is referred to in the legislation, with exemptions and exceptions based on national security and other considerations.

Certain questions have been raised in regard to fissile material production moratorium. I would also like to mention it clearly that the legislation does not impose any obligation on India by the way of fissile material production moratorium as a condition of cooperation. Certainly, the views of some Members of the Congress have found expressions in some provisions of the legislation. As far as India is concerned, our commitment is limited to the 18 July Joint Statement to work with the USA for the conclusion of a multilateral FMCT. Their position is quite clear. It must be non-discriminatory. It must be universal and it must be verifiable. Therefore, no interim, bilateral, regional or *ad hoc* initiatives in this field are acceptable to us. We are clear that this is a civil nuclear energy cooperation agreement and this is not an arms control measure. Our scientists have referred to Section 109 of the legislation concerning the possibility of joint research by India and US scientists on non-proliferation and safeguards. There are apprehensions that this could result in inclusive scrutiny of our strategic programme. The legislation does not require, but only authorises the administration to explore the possibility of such joint research. Secondly, there is no compulsion on India to accept such proposals. In fact, in the Conference Document itself, as I mentioned, Section 109 is not intended to create an obligation for India to meet but rather to open an avenue for increased cooperation on topics of concern for both the countries.

Mr. Chairman, Sir, it has also been pointed out by some hon. Members, and they even used phrases like 'mortgage', 'mortgage of independent foreign policy'. The Prime Minister categorically stated that the foreign policy of a country is an extension of its national policy. The

foreign policy of a country is determined on the basis of the requirement to safeguard and to advance the national interest. Therefore, it cannot be determined by anybody else. And, even our threat percept depends on our own perception. As an old hat in the Defence Ministry when somebody asked me, I told them very categorically that my threat percept depends on my own perception, not on your perception. Whether India has a threat or not, it is for the Government of the day in office chosen by the people of the country to determine what is the threat percept. Similarly, it is for the Government of the day chosen by the people of the country to determine what is in the best interest of their foreign policy. Yesterday, I mentioned that and I am repeating it, my relation with one country is independent of its relation or approach with other countries. With Iran, we have civilizational links, long before these things came and that civilizational link will continue.

Somebody was asking, "Why are we giving up the Iran gas pipeline project? We are getting gas at cheap price." Perhaps, the hon. Member is a little learned. The agreement which was entered into from the Iranian side, the suggestion is that the prices are to be revised. Instead of going through newspaper articles, if these questions had been raised here, I would have answered them earlier. I myself had a detailed discussion with the Iran's Foreign Minister when he came over here. He suggested that the Agreement, which was made at that point of time, about the prices of gas, required to be revised. We are engaged in the negotiations. The pipeline project has not been given up. Who said that the pipeline project has been given up? But, surely, a project of this dimension would require assistance from financiers; we have to get money to implement it. We are seriously considering it. Therefore, Mr. Chairman, Sir, I see no reason why we should have any doubt, why we should have any suspicion. It is true that our Treaties are not ratified by the Parliament.

But it is equally true; even more unceremoniously as you dismiss your domestic servant, the House has the power to dismiss the Government by bringing in a Motion of No Confidence and if it is carried by a majority of the House. That is the strength of the Parliamentary system of Government. For every action, we are accountable to you. In our excitement, in our enthusiasm, we should not forget that those who are sitting here today would be sitting on the other side tomorrow, as it has exactly happened. The only thing which I would like to remind the hon. Members sitting there right now is, please do not change your policy with the change of the seat, which they are doing more often than not. When I was listening to Joshiji, it just reminded me of 1994, and with that, Mr. Chairman, Sir, I would conclude. It was in connection

with the passage of the Patents Act. India signed the WTO, and I was the villain of the piece.

As the then Commerce Minister, I had to bring that Amendment. For three days I could not even make my case presented here. There were so much uproarious scenes, and they shouted that the sovereignty had been mortgaged. I do not know myself as to how many times I have mortgaged India's sovereignty! When, in 1982, as India's Finance Minister, I entered into an extended financial facility with the IMF, my Left friends accused me that I had mortgaged India's sovereignty. Further, I was the only Finance Minister from among the developing countries who did not take the last instalment of the loan and also returned 1.1 billion SDR to the IMF. What I was saying is that a drama was enacted on the floor of the House. As per the terms of the Agreement, we were to amend the Patents Act of 1970. We could not do it, and Shri Murlī Manohar Joshi, while participating in the debate, told me that I had no guts. He said, "Put up some guts and reject the Bill. Tell the WTO that we would not sign this Agreement." All these are in the red books here. After sometime, by democratic rule, from here I went there, and Joshiji came here from there. And, their Government had to pass that Bill with our support. The Left opposed then. The Left opposed during my time, and the Left opposed during their time. But I do believe what is good for the country does not depend on which side of the House I sit. If it is good, it is good whether I sit here or I sit there. Despite the opposition from some of my colleagues, I gave them an assurance that the Congress (I) Party would support the Bill, and with that support, the Patents Bill was passed. The country has been benefited; the Indian pharmaceutical industry is booming. Thank you, Sir.

SHRI SITARAM YECHURY: Sir, I just wish to make one point. I am sure, the hon. External Affairs Minister would yield for a minute. All that we want you to assure the House is that without these assurances — the assurances given by the hon. Prime Minister earlier in the House and the assurances made by you — no 123 Agreement will be entered into. That is the assurance we want. That is all.

SHRI PRANAB MUKHERJEE: Sir, I have stated categorically, and the hon. Prime Minister has categorically stated, that we shall have to seek clarifications, we shall have to get these things reflected in the Agreement under 123. What more assurance do you want? (Interruptions)

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INDIA'S FOREIGN RELATIONS - 2006
SECTION - IV
DIASPORA

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082. Speech by Prime Minister Dr. Manmohan Singh at Pravasi Bharatiya Divas 2006.

Hyderabad, January 7, 2006.

Ladies and Gentlemen,

I am truly delighted to be here to inaugurate the 4th Pravasi Bharatiya Diwas. This day last year we met in Mumbai. We met in the port city at which the “Great Pravasi”, Mahatma Gandhi, arrived 91 years ago, returning to his Motherland from South Africa. He returned to liberate our country from the colonial yoke. He returned to inspire us, to guide us, to forge a new unity in our ancient land.

I am, therefore, particularly delighted that we have with us today a great son of South Africa. I welcome the Honourable, Mr Ahmed Kathrada, leader of the South African people. Mr Kathrada fought, as Gandhiji did, to free his people and to lead them into a brave new world of freedom, dignity and self-respect. The people of Indian origin have come to symbolize the world over the spirit of a free people. Of a people who have the courage to stand on their own two feet. A people who have time and again demonstrated the power of unity amidst diversity. Of knowledge and compassion over force and authority. Our civilization is based on the idea of plurality, diversity, tolerance, and on the possibility of the co-existence of multiple identities, which in a sense, is what this gathering epitomizes.

I am also delighted that this year, we meet in Hyderabad. This city symbolizes the idea of India, the idea of being Indian. Hyderabad’s composite culture, its cosmopolitanism and its modernism have always been admired. What is often not recognized is the global outlook of the Hyderabad person and the Andhra people. Long before we had Non-resident Indians and People of Indian Origin, this land was home to teachers and traders who went to distant lands as ambassadors of a great civilization. Centuries later, when the Charminar was built, one of the four roads leading away from it went straight to the port of Machilipatnam from where pearls from East Asia came to Hyderabad. [I am sure delegates to this Conference have set time aside to buy Hyderabad’s legendary pearls. They remain the symbols of this city’s past globalisation.

Today, Hyderabad has new symbols of globalisation such as Cyberabad, the pharma and bio-tech industries and the many sports facilities. This magnificent new Convention Centre, is yet another symbol.

I am happy to learn that the new International airport project is on track. It will help improve the world's connectivity with Hyderabad.

All these symbols of global connectivity and globalised activity capture the face of a new India. To my mind, the most important aspect of re-connecting with the world is for us to reach out to People of Indian Origin. The NRIs and the PIOs are the most important elements of our globalisation. There is a fundamental difference between the globalisation of India and many other developing countries. For us, globalisation is a natural means of linking up with the international community of Indians. As I said last year, if there is one phenomenon in the world over which the sun truly never sets, it is the phenomenon of the global community of people of Indian origin.

Ladies and Gentlemen,

As I look around me today, realize just how unique this gathering is. It is both a conference and a carnival, a business meet and a cultural festival. It is characterised by serious discussion and palpable emotion. It has also given us the opportunity to pursue major initiatives with respect to overseas Indians.

Last year at Mumbai I had declared our Government's intention to make sure that one day every person of Indian origin living anywhere in the world can aspire to become a citizen of our sacred Motherland. As an important first step we have delivered on our promise to grant the status of Overseas Citizen of India (OCI) to eligible applicants. The Ministry of Overseas Indian Affairs will soon complete the process of rationalization of categories and ensure convergence of benefits.

Of the three categories, overseas Indians in the Gulf are unique. They are NRIs who will never become naturalized citizens of those countries. Most of them have immediate families back in India and have thus a vital stake in local governance, including the issue of who would represent them in the State Assembly or the National Parliament. Their demand seeking "voting rights" at home has, therefore, a convincing political basis. This proposal is at an advanced stage of consideration by our Government. We hope to take appropriate measures in this regard soon.

There are an estimated four to five million overseas Indian workers all over the world. Every fifth member of the diaspora is thus a worker. They have contributed a great deal to the economic and social empowerment of their families back home, to the development of their

communities and to the economic enrichment of our country. Their hard work helps build the host countries while their remittances sustain their families and the local economy back in India.

In recent years, remittance inflows have increased impressively, rising from US\$13 billion in 2001 to over US\$ 20 billion in 2005. I salute the overseas Indian, the workers and professionals, who are contributing with their skills and sweat to the economic development of our Motherland.

Apart from granting them voting rights, I assure overseas Indian workers and professionals that we will address some of their urgent concerns. Improving the efficiency of financial and consular services is one such concern. I propose the following 'on-site' welfare measures for their benefit:

- | An easy-to-use remittance facility that is affordable and efficient. The Ministry of Overseas Indian Affairs has partnered with UTI Bank to develop an electronic, integrated remittance gateway. My colleague, Shri Chidambaram will launch it this evening.
- | We will launch a more liberal Pravasi Bharatiya Bima Yojana, with effect from 1st February 2006, to provide enhanced benefits to workers. Competition from a number of insurance providers will ensure that the premiums remain affordable.
- | We will work with international and other agencies to streamline and modernize the process of emigration and to create awareness among the workers about their rights and obligations.
- | We will support initiatives to develop the skills of workers and set up credible mechanisms for certification of those skills so that over the years, we are able to re-position India as a source of skilled, rather than unskilled, labour.

Ladies and Gentlemen,

It is often said that the 21st Century will be the "knowledge century". We in India are proud of our inheritance in this regard. Overseas Indians have played an extremely important role in global brand building in this respect. If India is today viewed as a "knowledge economy" it is because of the reputation that many of you have earned for our knowledge institutions by your creativity and diligence wherever you now work.

To enable improved connectivity between people of Indian origin worldwide, we intend to set up a Diaspora Knowledge Network to provide

a dynamic framework within which the users and providers of knowledge can discover each other and work together. Knowledge itself needs to be widely defined to include operational and management expertise. I am happy that an exclusive session is addressing this matter in this conference. It is encouraging that apart from overseas Indians, UNESCO and the UN country team in India will also be participating in this session.

Apart from such a network, our ability to tap the expertise of overseas Indian professionals will depend on our ability to forge partnerships with them. We must launch pilot initiatives with clear goals that are consistent with national objectives. Lessons from such initiatives can then develop into successful sectoral programmes. I am happy that one such initiative is being launched at this conference with the signing of a Memorandum of Understanding between the Ministry of Overseas Indian Affairs and the American Association of Physicians of Indian Origin. I hope this initiative will begin with projects in basic healthcare.

Ladies and Gentlemen,

I have often said that long before Indians crossed the seas as workers, they traveled the world as traders and teachers. Time was when the Indian gurukul system and our universities at Takshila, Nalanda and Nagarjuna, not far from here, were the envy of the world. Even after independence, Indian colleges and universities continued to attract students, particularly from countries like Malaysia and Mauritius. In the last twenty to thirty years, we have lost ground both because we failed to incentivise our institutions to become global players and because foreign universities became more aggressive in marketing. I am conscious of the fact that an important demand of the overseas Indian community is to secure access to educational opportunities in India.

I am happy that institutions like the Delhi Public School, Birla Institute of Technology and Science and Manipal Academy of Higher Education have already established a presence in a number of countries. I believe that this trend needs to become much wider and stronger. Education is a service and as in other service sectors, India has tremendous comparative advantage in providing and exporting education services. I believe that there is an unmet demand for higher education in a number of countries with a significant diaspora population that can provide one outlet for our talents here. In the process, we should be able to attract other overseas students as well. And as India becomes a stronger economic power, there will be a lot of interest in students all over the world to come and study in

India for the sheer experience of being in the most happening society in the world.

Convinced, as I am that this is a tremendous opportunity area, I am aware that the regulatory and support systems need to be in place. We also need a policy framework to deal with proposals from abroad to partner educational institutions in India. I believe your conference will be discussing the idea of creating a University for People of Indian Origin. I look forward to your considered views in this regard.

We also need an institution that will play host to students coming to India from abroad. Our Government will create an institutional interface in this area. Here again, I seek your views on what we should be doing. Organisations like the British Council offer one model that can be discussed. I am happy that a session on educational opportunities is part of this conference where eminent educationists are coming together along with the delegates to suggest the way forward.

While a national policy framework is probably necessary in many of these areas, I would urge State Governments to take the initiative and devise their own strategies to tap into the developmental potential of overseas Indians. When I visited Mauritius last year I was truly impressed by the remarkable contribution of people of Indian origin to the modernization and transformation of Mauritius. From being a single crop agrarian economy, Mauritius is rapidly transforming into a knowledge-based services and tourism economy. Many enterprising citizens of Mauritius trace their ancestry to the Indian state of Bihar. I invited them to come and help transform Bihar.

I am sure every State Government can devise its own strategy to benefit from the creativity, the talent, the enterprise, the enthusiasm and commitment of people of Indian origin hailing from different parts of our vast sub-continental Nation. I am glad that an entire session is being devoted at this conference to a discussion with State Governments. I hope you will all get them to compete for your affection, your talent and your investment! Healthy competition between States can be helpful!

This is the time to think big and think boldly. This is the time to forget our differences and labels and celebrate our common Indian-ness. This is the time for all of us to become strategic partners in progress in a 'one-for-all; all-for-one' spirit. I do hope annual meets like this, while giving us a chance to review immediate plans and projects, also provide the stimulus to strategise and take this relationship to the next logical step.

Ladies and Gentlemen

India is a land of opportunity that places premium on enterprise and creativity. Our Government is committed to create a hospitable climate for investment and enterprise. We will work hard to improve the quality of governance, at all levels, and remove barriers to growth and competition. I invite you to make use of the investment and business opportunities that India now offers. I invite you to be active partners of a new India and walk with us in finding new pathways of development and progress. I invite you to feel the love and affection of Mother India and feel the warmth of her embrace.

Jai Hind!

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083. Valedictory Address by President Dr. A.P.J. Abdul Kalam on Pravasi Bharatiya Divas - 2006,

Hyderabad, January 9, 2006

UMBILICAL CONNECTIVITY AND SOCIETAL CHANGE

I am delighted to participate in the conferment of Pravasi Bharatiya Samman Awards 2006. I congratulate the award winners for their contribution in promoting international understanding for healthy bilateral relationship between the countries and enable us to project the right image of India abroad. I am happy to meet you all in this gathering. I also congratulate the PIO's for the Overseas Citizenship of India (OCI). My greetings to the organizers - Ministry of Overseas Indian Affairs in partnership with Government of Andhra Pradesh and the Federation of Indian Chambers of Commerce and Industry.

Cultural deprivation

Sometime back Nobel Laureate Sir V.S. Naipaul met me with his wife Lady Nadira. We walked through the Mughal Gardens in Rashtrapati Bhavan and discussed various issues related to the history of our country and its people. Sir Naipaul thoughtfully told me that while India as a Nation is a very recent phenomenon, Indian as people are as old as the mankind on this planet. Sir Naipaul informed me that he is the descendant of unskilled labourers of North Indian Brahmin origin, who were shipped out of India as

settlers for farming of the British Empire. He called him a dispossessed child of India whose upbringing in a far away Trinidad familiarized him with a new type of deprivation that is the cultural deprivation. His books reflects his in-built love for the nation of his origin.

Empire of Indian Mind

Today, the 9th day of January marks the return of Gandhiji from South Africa to India 91 years ago. His work in South Africa and reasons of his return are well known. The point I would like to make is that when Gandhiji returned, he travelled from one colony to another of an Empire on whose territory; the sun would never set at that time. It would not be an exaggeration, if I say that today the sun truly cannot set on the empire of the Indian Mind.

Some children of Mother India are always working wherever the sun is shining on this planet be it Asia, Africa, Australia, Europe, the Americas and, indeed, on the icy reaches of Antarctica. Twenty million children of India live in various parts of the planet and every year it is increasing, because they are needed.

Experiences

Before coming here, I was at Peda Amiran village near Bhimavaram town today morning with Prof MR Raju, a Nuclear Scientist who held important positions in American Laboratories, including Los Alamos National Laboratory, during his 33-years stay there. On 1992, 2nd October the birth anniversary of Mahatma Gandhi, Prof Raju decided to move with his family, permanently to their village and serve the society with their knowledge and wealth. His contribution during the last one decade has made a difference to the village. I participated in the inauguration of a Rural Cancer Treatment and Research Center built by him under Mahatma Gandhi Memorial Trust. I met on that occasion a lawyer, a maxillofacial surgeon and an ophthalmologist; they are all working in the United States and drawn to Raju's mission. I also saw Byrraju Foundation's work in the rural community. Working in 150 villages across five districts of Andhra Pradesh, it has an impact on nearly one million rural lives. Their programmes include healthcare, education and adult literacy, water, environment and sanitation and livelihood skills. The Foundation is entirely funded by Satyam Computer Services Limited. I can see the impact of their work on Human Development Index in the Bhimavaram region. I discussed with Shri B. Ramalinga Raju, Chairman, Satyam Corporation for establishing the linkage for economic connectivity.

What attracts India?

What does all these people symbolize? What attract people spread across the planet to the land of their origin? I asked this question to a Minneapolis-based engineer Madhu Reddy who met me few days ago in Hyderabad. He informed me that he just signed a MoU with Electronics Corporation of India Ltd to set up a production unit for Digital X-ray (D.R.) systems. These systems are latest in Radiography equipment and have not yet arrived in India due to its prohibitive cost. He told me that not only he would sell the D.R. Systems in a cost effective way to Indian hospitals, and also export to other countries. The product will be internationally competitive. When I asked, "Why are you doing that? Madhu Reddy replied, "Sir, while it makes a perfect business sense to manufacture electronic products in India and export them, I also want to repay the debt I owe to this land and society where my forefathers had existed to whom I am just a connected link." Madhu Reddy who is successful in the United States was born and educated here. "There is a debt to be repaid by me," he says. Friends, it is not only important for the Non-Resident Indians to pay the debt to their motherland but all of us living here have also to pay back the debt to our motherland which has nurtured and grown us.

Four Waves

People of Indian Origin worldwide represent four waves of migration in the past. The first, and probably the longest wave, was of Indians going forth in search of knowledge and opportunity as travellers, as teachers and as traders. Indians went to China and around Indo-China. The second wave was one of enforced migration of indentured labour, a legacy of colonialism.

Indians were taken to Africa, West Indies and England. The third wave was a product of partition. The fourth and the most recent wave has been that of Indians empowered with skill and knowledge seeking various type of opportunities and challenges. The destination is the United States, Canada and English speaking European countries and West Asia. Will there be a fifth wave? In the fifth wave, towards the end of 21st century, Indians may participate in the planetary civilization that may result many resourceful Indians inhabiting Mars and entering the space industrial establishment on Moon.

The spirit of movement

The four migratory waves happened in different historical settings for different reasons, but the central theme remained quest for better living

conditions and opportunities to excel. Hope to transform, to translate our living present to a productive future is what makes human a unique creature of the Cosmos. This is indeed true of migrants the world over. The important point is that Indians always migrated as individuals and never as communities. In fact even during the Partition, brothers chose to separate rather than migrating as a family. The attraction of the homeland has been historically proved powerful than compulsions of migration, definitely in the long run and over a period of lifetime. The presence of all of you here today testifies this. What is that unique thing that binds an Indian to this land?

The Eternal Mother

Overseas Indians have been successful, thanks to the foundation in education and the heritage their home country gave them, and also the opportunities that the country they have gone has given. I receive visitors settled abroad from all walks of life. Many of them have brought their children first time to their motherland. They look for the warmth of human relations in India. This society remains a loving mother to grown up sons and daughters who always return. This I will call umbilical connectivity between the mother and the children. We belong to same umbilical connectivity, whether you are in India or in any other part of the planet. Friends, India, whose 70% people live in rural areas, has a vision to transform itself into an economically developed country before 2020. Now I would like to discuss what I presented in the Indian Science Congress on 5th January 2006 about how a rural area can be developed with education centres as base line.

Technology for societal transformation

The transformation of India will need transformation of six hundred thousand villages. This would need creation of seven thousand PURAs spread in different parts of the country with physical connectivity, electronic connectivity, knowledge connectivity leading to economic connectivity. I suggested that the decision could be taken to allot Rs. 500 crore to develop 100 PURA Clusters. Each cluster, comprising of 20 to 30 villages, will have an educational institution as a nucleus. The development will comprise of setting up of village knowledge centres; agro-clinics; Tele-education and Tele-medicine centres; and other employment oriented schemes such as bio-gas plants; water treatment plants (brackish to potable water); bio-fuel esterification plant; cold storage; consumer product development; vocational training centres and setting up of business centres by the entrepreneurs for national and international marketing of the products from these rural

enterprises. In all these cases, the educational institutions should plan the activities in consultation with local people who are the beneficiaries of this programme.

A Performance Challenge

These hundred PURA programmes originating from educational institutions and with public-private partnership will provide the experience for taking up big programmes in future in an industrial scale. This undertaking will build the capacities of the villagers and encourage the Indian entrepreneurs to become an active partner in this development process. These activities should not be treated as mere experiments and scientific knowledge; it is the application of science and technology to societal transformation. The winners are the academic institutions and the rural people belonging to the PURA Clusters. Finally, there should be a clear assessment whether the villagers have been benefited. A joint team of the village members and the scientists/technologists can do this. This will lead to the birth of the Civic Scientists. This is the performance challenge, which I would like to pose to the experienced scientific community and to the Government officials. This mission I gave since I had seen three operational PURA projects: one in Tamil Nadu which I have discussed earlier in the last year, second in Maharashtra and the third in Madhya Pradesh. I would like to describe the three PURA systems to the members assembled here.

Periyar PURA (Tamil Nadu): I have inaugurated Periyar PURA complex pioneered by Periyar Maniammai College of Technology for Women, Vallam in Tanjore, a year back. I thought of sharing with you the developmental concept of a cluster of over 65 villages near Vallam, Thanjavur district of Tamil Nadu that involves a population of 3 lakhs. This PURA complex has all the three type of Connectivity - physical, electronic and knowledge - leading to economic connectivity.

The centre of activity emanates from the women engineering college that provides the electronic and knowledge connectivity. Periyar PURA has health care centres, primary to post graduate level education and vocational training centres. This has resulted in large-scale employment generation and creation of number of entrepreneurs with the active support of 850 self-help groups. Two hundreds acres of waste land has been developed into a cultivable land with innovative water management schemes such as contour ponds and water sheds for storing and irrigating the fields. All the villagers are busy in cultivation, planting *Jatropha*, herbal and medicinal plants, and power generation using biomass, food processing

and above all running marketing centres. This model has emanated independent of any government initiative. The Engineering institution has provided the committed leadership. Recently, 5 of Periyar PURA villages are connected through Wi-MAX Wireless of 4 mbps connectivity It provides a sustainable economic development in that region. This gives me the confidence that PURA is a realizable proposition and this movement can be multiplied by thousands of entrepreneurs, educational administrators, small-scale industrialists and bankers with the support of the government agencies.

Loni PURA (Maharashtra): At Loni in Maharashtra, pioneered by Pravara Medical trust, a participative model of integrated rural development has come up among 44 villages with the population of 80,000. It is improving the productivity of the rural people through improved quality of life with healthcare, education and employment. The concept is people centric development for social transformation.

The thrust area of development has been on comprehensive Medicare particularly for women and children, need based health education and e-connectivity to the farmers. The complex has created 27 educational and vocational institutions consisting of schools, colleges, polytechnic and ITI including medical and engineering colleges. They have created sugar factory, biogas plants, chemical plants and power projects. They have large number of self-help groups for providing low interest loan for the weaker sections in the society. Due to the co-operative effort of the people, literacy in these villages has gone up from 63% to 83%, birth rate has come down, infant mortality rate has decreased to 35 per 1000 from 70 per 1000 and the standard of living of the people has gone up by over 20% compared to other villages in the neighbouring areas.

Chitrakoot PURA (Madhya Pradesh): At Chitrakoot in Madhya Pradesh, I met NanajiDeshmukh, the ninety-year-old social worker. His team belonging to Deendayal Research Institute (DRI) is developing and implementing a village development model. Nanaji told me that people's power is more potent, stable and enduring than political power. By becoming one with the oppressed and depressed, one gains the acumen of administration and governance.

Social advancement and prosperity are possible only by injecting the spirit of self-reliance and excellence in the younger generation. Using this principle, DRI has plans to develop one hundred clusters of villages having approximately five villages each around Chitrakoot. They have

already developed 80 villages in 16 clusters consisting of about 50,000 people.

I witnessed sustainable development at Patni village based on indigenous and traditional technology, knowledge systems and local talents. The programme aims at income generation through value addition, innovative agricultural practices, inculcating scientific temper among the villagers, improvement of health and hygiene, striving towards 100% literacy. The villagers are doing water harvesting; effectively using it for cultivation of food grains, medicinal and aromatic and horticulture cultivation. Apart from all these development activities, the Institute is facilitating a cohesive conflict free society. I understand that the eighty villages around Chitrakoot are almost litigation free. The villagers have unanimously decided that no dispute will be taken to court and the differences will be sorted out amicably in the village itself. Nanaji told me that if the people fight among each other they would have no time for the development. This message has been understood by the society.

The Institute has developed a novel concept of putting a graduate married couple at the hub of the societal transformation. Called "samaj-shilpi dampati" (societal sculpture couple), they counsel and intervene in the affairs of the village citizens. In the same Chitrakoot environment there is another social organisation called Shri Sadguru Seva Sangh trust is carrying out number of social activities including the running of quality eye care centre.

GRID Connectivities

India has embarked on a mission to provide connectivity for billion people in the form of GRIDs. This GRID gives national connectivity consisting of Knowledge GRID, Health GRID, E-Governance GRID and PURA GRID. That means citizen to citizen, citizen to state, Government to Government and citizen to institutions and organisations are connected. This GRID system will certainly maximize the synergy between the organisation and people leading to faster economic growth and productivity. The Grids are as follows:

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084. Address by President Dr. A.P.J. Abdul Kalam to the Indian Community.

Port Louis, March 12, 2006.

Umbilical Connectivity with India

I am delighted to meet and interact with the people of Mauritius this evening. My greetings to all of you. Some of the people of Indian origin assembled here whose parents and grandparents left India's shores many years ago to build a life and a home in Mauritius; as well as more recent arrivals who represent the finest of India's technical and professional talent. You are all inheritors of the great Indian tradition of assimilation, adaptation and creative genius and provide the best to the country in which you are living.

Stability in Pluralistic Society

Throughout my stay, I have seen numerous instances of your contribution to the socio-economic development of Mauritius. You contribute not only to the economy but to the development and preservation of a stable multi-ethnic, multi-lingual, multi-religious society. These are values that Mauritius and India share at a fundamental level. These are also values which define us as Indians, no matter which part of the world we live in. Mauritius and India have a vital stake in ensuring that the world of tomorrow is one that protects the interest of all pluralistic societies.

In the modern context, you are a vital link between India and Mauritius, a country with which we enjoy the friendliest of relations. You have to play a crucial role in strengthening the strong multi-faceted relationship that Mauritius and India are engaged in building, be it the political sphere or economic, commercial, academic and cultural fields. Mauritius is an important financial services destination. I am sure many of you may be contributing to the growth of financial services in this country.

Today, India is one of the fastest growing economies of the world. I would like to discuss some of the developments taking place in India.

Ambience in the Nation

In the Indian history, very rarely our nation has come across a situation, all at a time, an ascending economic trajectory, continuously rising foreign exchange reserve, reduced rate of inflation, global recognition of the technological competence, energy of 540 million youth, umbilical

connectivities of 20 million people of Indian origin in various parts of the planet, and the interest shown by many developed countries to invest in our engineers and scientists including setting up of new R&D centers. The distinction between the public and the private sectors and the illusory primacy of one over the other is vanishing. India as the largest democracy in the world has a reputation for its democracy and for providing leadership for the one billion people with multi-cultural, multi-language and multi-religious backgrounds. And also our technological competence and value systems with Civilizational heritage are highly respected. Also, FII's find investing in India attractive. Indians are also investing abroad and opening new business ventures. As per the report titled "From the Ganges to the Thames" which states that the Indian Foreign Direct Investment in British capital is second only to that of the US and Indian FDI project in Europe has increased from just 5 to 119 during the period 1997 to 2004. The Government is also committed to economic development by ensuring growth rate of 7% to 8% annually, enhancing the welfare of the farmers and workers and unleashing the creativity of the entrepreneurs, business persons, scientists, engineers and other productive forces of the society. We are translating this opportunity for transforming India into a Developed nation before 2020.

Technology for Societal Transformation

The transformation of India will need transformation of six hundred thousand villages. This would need creation of seven thousand PURAs (Providing Urban Amenities in Rural Areas) spread in different parts of the country with physical connectivity, electronic connectivity, knowledge connectivity leading to economic connectivity. I suggested in the recently held Indian Science Congress that a decision could be taken to allot Rs. 500 crore to develop 100 PURA Clusters by the local educational institutions in the rural areas. Each cluster, comprising of 20 to 30 villages, will have an educational institution as a nucleus. The development will comprise of setting up of village knowledge centres; agro-clinics; Tele-education and Tele-medicine centres; and other employment oriented schemes such as bio-gas plants; water treatment plants (brackish to potable water); bio-fuel esterification plant; cold storage; consumer product development; vocational training centres and setting up of business centres by the entrepreneurs for national and international marketing of the products from these rural enterprises. In all these cases, the educational institutions should plan the activities in consultation with local people who are the beneficiaries of this programme.

A Performance Challenge

These hundred PURA programmes originating from educational institutions and with public-private partnership will provide the experience for taking up big programmes in future in an industrial scale. This undertaking will build the capacities of the villagers and encourage the Indian entrepreneurs to become an active partner in this development process. These activities should not be treated as mere experiments and scientific knowledge; it is the application of science and technology to societal transformation. The winners are the academic institutions and the rural people belonging to the PURA Clusters. Finally, there should be a clear assessment whether the villagers have been benefited. A joint team of the village members and the scientists/technologists can do this. This will lead to the birth of the Civic Scientists. This is the performance challenge, which I would like to pose to the experienced scientific community and to the Government officials. This mission I gave since I had seen three operational PURA projects: one in Tamil Nadu which I have discussed earlier in the last year, second in Maharashtra and the third in Madhya Pradesh. In building a developed India the overseas Indians can participate by establishing a PURA around a cluster of villages in a region of your choice.

The Eternal Mother

Overseas Indians have been successful, thanks to the foundation in education and the heritage their home country gave them, and also the opportunities that the country they have gone has given. I receive visitors settled abroad from all walks of life. Many of them have brought their children first time to their motherland. They look for the warmth of human relations in India. This society remains a loving mother to grown up sons and daughters who always return. This I will call umbilical connectivity between the mother and the children. We belong to same umbilical connectivity, whether you are in India or in any other part of the planet.

Conclusion

In building an India of our dreams, I see an increasing role for the overseas Indian community. There are tremendous business opportunities whether in establishing PURA, in the field of manufacturing and services, or in the areas characterized by high Science and Technology, Biotechnology, Pharmaceuticals, Space Technology. In all these areas, we welcome your cooperation.

I once again bring to you greetings from people back home. I wish you all success in your missions. Your prosperity is our happiness.

My good wishes to all of you.

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085. Address by Prime Minister Dr. Manmohan Singh to the Indian Community in Germany.

Berlin, April 24, 2006.

I am delighted to be here with members of the Indian community in Germany.

You have all earned for yourselves an enviable reputation for diligence, for creativity, and for enterprise and for assimilation in a foreign culture and ethos without losing or abandoning the intrinsic values that make you Indian. This has enabled each and every one of you to be ambassadors of India and to favourably shape the perception of India among your colleagues at work, your neighbours in your communities and your elected representatives. We admire your contribution in furthering the understanding for India in Germany. I also compliment you for the love and respect, which you have for the land of your ancestors.

India and Germany are Strategic Partners. Germany is the 6th largest investor in India and the 3rd largest trading partner for India in Europe. Indo-German collaborations are among the market leaders in a whole range of sectors. Our two countries also have a long-standing scientific and technical collaboration. The two countries also continue to work closely with regard to the reform of the UN Security Council.

This is a unique year for India in Germany. We are the Partner Country at the Hannover Trade Fair and the Guest of Honour Country at the Frankfurt Book Fair. In the month of May, India is the Focus Country at the Bonn Biennale. For each of these important fairs, India has the unique distinction of being the only country to have been bestowed the honour for a second time. Several German cities would be holding special events on India. This shows the tremendous interest that India has generated and I am confident that they will all contribute towards bringing the people of Germany and of India closer together.

India is on the move today. The Indian economy has recorded high rates of growth on a sustained basis since our process of economic reforms began. India is among the most attractive destinations globally for doing business. Several Indian companies have expanded their global presence in various sectors across the world, including in Germany.

Today, our external economic profile is robust and reassuring to investors, at home as well as abroad. Our economy has recorded close to 8 per cent annual growth for two years in a row. We are confident that we would be able to raise India's annual growth rate to around 9-10%. Our optimism is based on the fact that our savings rate is now over 29% of our GDP and the investment rate is about 31% of GDP. Our policies relating to investment, banking, finance and capital markets have evolved to make Indian industry and enterprise more competitive globally. We have launched a massive programme for rural renewal that will upgrade rural infrastructure and incomes and thereby, expand the domestic market. Our new policies are enabling public-private partnership in the modernization of our roads system, railway system, ports, airports, power and the entire urban infrastructure. I do believe that the transformation India is going through will be one of the most exciting in this century as over one billion people move towards growth and prosperity.

I have come to Berlin today from Hannover, where India's participation at Hannover Messe 2006, with over 300 companies, will showcase the vast potential for partnership that the expanding Indian economy offers for trade, investment and technology collaboration for mutual benefit. I have no doubt that our participation as a Partner Country for the second time in 22 years, a unique honour bestowed on India will impart significant momentum to bilateral relations between India and Germany.

It has been said that in the new globalised world it is those societies, which have evolved into so-called "global tribes", which will be best poised to take advantage. I believe that our historic project of globalization will, therefore, remain incomplete unless we reach out to People of Indian Origin. Our NRIs and the PIOs are important partners in our globalization process. I, therefore, invite you to join in the exciting journey of creating a new modern and prosperous India.

086. Address by Defence Minister Pranab Mukherjee to the Indian-American Community at a reception hosted by Ambassador Ronen Sen.

New York, September 24, 2006.

Ladies & Gentlemen,

At the very outset, let me express my gratitude for all of you present here this evening and for an opportunity to share some of our perceptions and also an opportunity to meet you all. We are in a period of good cheer in India on the eve of our annual festive season, when we will be celebrating festivals of many great faiths which have enriched our heritage over the centuries and millennia. The holy month of Ramzan has just begun today. We marked the beginning of the Jewish new year yesterday. Amongst you I see so many faces of diverse India, and I feel as if I am at home.

When I look at you and meet other fellow Indians from different parts of the world, I often ask myself - what is it about us that we are able to adapt ourselves so easily to different societies, traditions and cultures? Why is it possible for Indians to make different places their home and to make themselves liked and admired? How is it that they make such meaningful contributions to the societies in which they live? In short, how is it so effortless for them to adapt seamlessly to the globalised world and yet retain their links over generations with the glorious civilizational heritage of India? While I do not always look at antiquity to seek answers to the riddles of contemporary times, I am convinced that many of the answers to the success of Indians at home and abroad lie in our history and culture.

It is indeed a matter of great pride for us that we represent a great and composite civilization that defines our "Indianness" and our worldview. Our thinking is shaped by a history in which practically all the communities of world have thrived. India has always been a mosaic of cultures and an open society. Great religions have been born in our nation, and many from outside have been absorbed and internalised. Not many people are aware that while the great religions of the East - Hinduism, Buddhism, Sikhism, Jainism and many others - grew from the soil of India, the faiths from West Asia were also embraced with equal respect and reverence. It was as early as the middle of the first century AD that Christianity came to India; that is about a thousand years before it took root in most of Europe. Jewish people lived in India with dignity and respect for centuries. Islam came first to India with Arab traders and enriched our civilization. Zoroastrians sought refuge

and thrived in India for centuries. This rich heritage became an integral part of our identity. In contemporary India, it is reflected in our commitment to secularism, which is enshrined in our Constitution.

In a world of conflict and bigotry, India provides an alternative model of peaceful co-existence. In an age in which people talk of the end of history and a clash of civilizations, Gandhi's message is that civilizations enrich each other by overlapping and interacting.

Friends, Another characteristic of the globalized world is the exchange of goods, services and people amongst the different parts of the world. It is a reflection of the logic of business and industry that they will move to wherever it is profitable and economical. This was also happening thousands of years ago. A spice route traveled north through Jammu & Kashmir in India to Central Asia to connect with the great Silk Route from China to Europe. Similarly, ships from the Malabar coast of India sailed to the Gulf and the Red Sea for further movement to the west. Ships from the eastern coast of India also traveled great distances to the Far East for trade and other exchanges. This overland and maritime trade connected our land with distant peoples and cultures. India has never been an insular land unused to trade and commerce with others. It is, therefore, not surprising that we see merit today in an increasingly inter-dependent and globalised world. The logic of our economic reforms was to strengthen ourselves to compete, and by competing, further strengthen our nation.

Friends, I am aware that you represent the fastest growing and third most populous Asian group in the United States. Indian-Americans are the best educated and amongst the wealthiest ethnic groups in this country. The largest number of foreign students in US universities is from India. Thousands of prominent Indian-American scientists, faculty members and research workers are contributing to the intellectual capital in American universities and other institutions. Indian-Americans have made their mark in areas of high technology and innovation, real estate development, journalism, legal practice, literature, music and art. They run a number of successful small businesses, head some large US corporations and control about 40% of hotels in this country. With over 40,000 doctors and more than 12,000 medical students and interns, Indian Americans contribute significantly to healthcare in the United States.

You have the great advantage of coming from an open and pluralistic society and making another free society your home. And openness is the basis of human creativity. Democracies sometimes seem noisy and divisive,

but they are ultimately the true guarantee of unity and equitable development. Free and fair elections in India over the last six decades and the steady strengthening of democratic institutions have ingrained a tradition of democracy in such a large and diverse a country – a phenomenon which is unparalleled and unprecedented in world history. A society as diverse as India can only be governed as a democratic, federal and pluralistic polity. Since, for most of you, your country of origin and your country of adoption are both democracies, I am sure that your participation, as good American citizens, in the political process of this country will serve your and this nation's long-term interests. I have thus been heartened to learn of contribution of the Indian-American community to political life of the United States. I am sure that, with each passing year, your participation in the political processes at the local, state and national level, will continue to increase and be commensurate with your contributions to other aspects of life in the United States.

The Indian-American community has rightly earned for itself an extraordinary place in this country. We rejoice in your well-being and take great pride in your achievements. As you have flourished, so has the relationship between India and the United States. Today, we stand on the cusp of a great transformation in this relationship. Your role in this process is vital. Your creativity, knowledge and work ethic have helped to transform the image of India in American minds. In a relatively short span of time, you have traversed a vast distance. The rise of the influence of the Indian-American community has occurred in parallel with the strategic, economic and technological resurgence of India. India has experienced a noticeable growth of its GDP in the last few years, which reached 7.5% in fiscal 2004 and 8.4% in fiscal 2005. Our economy continues to remain buoyant and we hope to have sustained growth at higher levels. In the first four months of fiscal 2006, our exports have grown by nearly 34%. During the first quarter of 2006-07, foreign direct investment inflows into India have grown 47%. India's industrial growth was 12.4% in July 2006; the fastest in the past decade. It will perhaps not be inaccurate to say that India is today the fastest growing democracy in the world.

Friends, India has, and will, continue to be a responsible member of the international community. We are one of the largest troop contributing countries to UN peacekeeping operations. Within our capabilities, we have always responded to the need for relief and supplies in case of natural disasters in any part of the globe. Even as a country affected by the tsunami of December 2004, we were the first to provide help to neighbours such as

Sri Lanka, Maldives and Indonesia. When Hurricane Katrina caused death and devastation in the United States, we made a modest contribution in money and relief supplies flown abroad Indian Air Force aircraft as a gesture of our sympathy and solidarity with the American people. When an earthquake struck the northern Indian state of Jammu and Kashmir and parts of Pakistan, we offered assistance to our neighbour.

India has also been a responsible member of the international community in other ways. Despite being the first Asian country to have built a nuclear reactor indigenously and then developing full nuclear fuel cycle activities, we have always used these sensitive technologies with great caution and care. There has not been even one case of outward nuclear proliferation from India to any country. This is the premise on which the international community today is prepared to cooperate with us in developing civil nuclear technology. Avenues for this cooperation were opened by the 18th July understanding reached during the visit of Prime Minister Manmohan Singh to the United States last year, and the 2nd March agreement reached during the visit of President Bush to India this year. The India-US civil nuclear agreement is emblematic of the new relationship. Let me state clearly that this agreement pertains solely to civilian power generation. The agreement does not pertain to and will not in any way affect our strategic programme nor our indigenous research and development programme. We look forward to the completion of the legislative and other processes to permit the commencement of civil nuclear cooperation.

Our initiatives have not been limited to that of civil nuclear cooperation. Let us look at some developments in the last 18 months alone. During this period, India and the United States signed an Open Skies Agreement to increase the number of flights between our countries and enhance trade and tourism. Since then the number of flights have increased and non-stop flights between the two countries have commenced. We concluded the Next Steps in Strategic Partnership, or the NSSP process. This has made licensing procedures for export of sensitive goods and technologies from the United States to India easier and more predictable. We have established an Energy Dialogue that aims at boosting cooperation across the whole spectrum of energy sources. We have established a new Economic Dialogue between our two Governments, and launched a CEO's Forum representing top Indian and US companies. The New Framework for the India-US Defense Relationship that Defence Secretary Rumsfeld and I concluded in June last year laid the foundation for cooperation,

including in defence industry. India and the United States have also signed a bilateral Science and Technology Agreement and established a Bi-National Science and Technology Commission with the objective of vastly enhancing cooperation in basic and applied sciences. We have decided to cooperate in the field of space. We have established a Knowledge Initiative in Agriculture aimed at generating a second Green Revolution in India. We have also taken various India-US initiatives which will have a positive global impact - in promotion of democracy, in natural disaster management, in meeting the challenges caused by pandemics like HIV/AIDS and avian flu and in other fields. Hence growing India-US cooperation will not only be of benefit to India and the USA but have a positive global impact.

I am confident that this trend of closer India-US partnership will strengthen in the coming years. India will continue its rise in the comity of nations, and so will the role of the Indian American community within the United States. The future of India and that of the Indian-American community within the United States thus appear to be intrinsically inter-twined. To respond to the widespread desire of this vibrant and dynamic community to have greater formal links with the land of its origin, our Government took the initiative of creating a separate Ministry of Overseas Indian Affairs and also put in place the overseas citizenship scheme.

Friends, I appreciate the fact that you have come from far and near to attend this programme. I extend my warm greetings and good wishes to all of you who are present this evening, as well as to all resident Indian citizens and Indian-Americans. We look forward to continuing to work together even more closely with you in forging a deeper partnership between India and the United States, based on abiding values cherished by both our countries as well as our common concerns and intersecting interests.

I thank you for gracing this occasion with your presence and giving me a patient hearing. Jai Hind!

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087. Address of Prime Minister Manmohan Singh to the Indian Community in London.

London, October 9, 2006.

I am delighted to be here with members of the Indian community in the United Kingdom, which as the High Commissioner has just now said, is among the most well-established communities of the worldwide Indian Diaspora.

The Indian community, of whatever faith, in the UK is truly exceptional in terms of educational attainments, economic profile, social integration and cultural vibrancy. They are an enormous asset to the country of adoption and a matter of pride for all of us back home in India.

The integration achieved by the community of Indian origin is a shining example of successful adaptation and contribution of any community in the United Kingdom. There is no room for the clash of civilizations in India and the Indian community is a vibrant example of that, with Indians of all faiths and persuasions doing equally well.

Our plural society has ingrained in every Indian the virtues of tolerance and co-existence among cultures, languages, religions, political and social views, and varied ways of life. I believe that this background has something to do with the astonishing ability to adapt, which has characterized Indians wherever and whichever part of the world they have gone.

It is particularly true of Indian achievement in a free society like the United Kingdom which cherishes individual worth, and which has extended political, economic and social freedoms to successive waves of immigrants. When applauding the remarkable success of our countrymen in this land, I would also like to pay tribute to the openness of British society, which has created an enabling climate for our people to do well and to flourish.

India is on the move today. The Indian economy has recorded high rates of growth on a sustained basis since our process of economic reforms began some fifteen years ago. India is among the most attractive destinations globally for doing business. This is indicative of the extent to which the Indian economy has successfully globalized. Several Indian companies have expanded their global presence in various sectors across the world, including in this country.

India is proud of its remarkable achievements in sustaining 8% growth of its economy for the fourth year in a row. The buoyancy and vitality of our economy is a measure of the creativity of our people which has been unleashed after full-scale economic reforms were undertaken in the early 90s. While doing so we are engaged in a massive task of fulfilling the basic needs of our teeming millions.

In my interactions with Prime Minister Blair, the British political leadership and with the captains of business and industry, I see recognition of the new India that is emerging that is on the horizon. I do believe that India and the United Kingdom can join hands, as we are both well equipped to take advantage of the knowledge economy, which will shape the 21st century.

We have close understanding of each other's political institutions and traditions and a shared commitment to democracy and fundamental human rights. We would welcome your continuing active engagement with the political process in the United Kingdom.

The transformation under way in India, ladies and gentlemen, is, in my opinion, one of the most far-reaching revolutions of this century. More than a billion people are seeking their salvation within the framework of an open society and an open economy committed to rule of law and fundamental human rights. I invite you all to participate in this adventure of creativity and enterprise any way you can.

In concluding, I wish to recall to you Pandit Jawaharlal Nehru's advice that Indians living abroad should be loyal to the country of their adoption while keeping a place in their hearts for India. I am happy to note that all of you have lived up to that injunction.

I thank you.

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INDIA'S FOREIGN RELATIONS - 2006

SECTION - V

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088. Inaugural Speech of Defence Minister Pranab Mukherjee at the 8th Asian Security Conference organized by the Institute of Defence Studies and Analysis.

New Delhi, January 30, 2006.

I am indeed honoured to meet this august gathering of eminent experts and to inaugurate the 8th Asian security Conference of Institute of Defence Studies and Analysis (IDSA). Since its inception in January 1999, this Conference has served as a forum for free and open discussion by security analysts, experts and scholars from different parts of the world. Every year IDSA selects a specific theme concerning Asian security for in-depth discussion. This year's theme for the Conference, "Changing Security Dynamic in West Asia: Relevance for the Post 9-11 Systemic", is particularly relevant since growth and India's security are closely linked to that of the West Asian region. As a member of the international community, India has been deeply concerned about the vicious cycle of violence and counter-violence and the consequent deterioration of the security situation in West Asia. It has also repeatedly called for de-escalation of tensions.

I am happy that the Conference organisers have expanded the scope of the Conference by including the North African region. The socio-political and cultural continuum that characterises the security environment of the entire region, extending from Western Sahara till Iran, in fact, demands such an extensive coverage.

Throughout human history, trade and cultural linkages between the people of Indian subcontinent and the region which we now call West Asia, have ensured a lasting relationship. This relationship continues and, in fact, vigorous efforts are being made to deepen and strengthen it.

Much is made out of the theory of "Clash of Civilizations", advanced by Prof. Samuel P. Huntington in his famous book. But such theories are predicated on division of the world in narrowly defined ideological terms. Our own experience as a functioning, multi-religious, pluralistic democracy completely debunks such divisive theories. Indeed, our interaction with the West Asian region has been traditionally warm and marked by cooperation and mutual enrichment, leading to cross-fertilisation of cultures. Ideas have been exchanged in the fields of mathematics, astronomy and medicine; and literary texts have been translated or transliterated for mutual benefit. The influence of Persian and Arabic learning in India, and the impact

of the architectural styles and aesthetics of West Asia, are too obvious to be missed today. The birth of Urdu, the language of the Bollywood, and its influence on Hindi and other Indian languages symbolises the creative cross-fertilisation between India and West Asia.

The unceasing stream of mutual influences has contributed to the growth of an amazing interweave of cultures in the region. In the increasingly inter-dependent world today, there are easily discernible civilizational and cultural links among nations— stretching from the coast of Mediterranean to the Bay of Bengal. These remind us of the history that has gone into the making of the culture of interdependence that we emphasise so much today. We all live in turbulent and even dangerous times today. In this turbulent and tense phase of our times, it is appropriate for us to emphasise the commonalities between our cultures and peoples. We should work together to preserve and sustain this invaluable historical legacy.

Historians have pointed out that there were trade links between the cities of Mohenjodaro and Harappa and Mesopotamia nearly 4000 years ago. The trade links between India and West Asia were seasonal and influenced by the monsoon winds. These links had developed between the Malabar Coast in India and the mouth of the Red Sea, as well as between other port cities in India and ports in the Persian Gulf and the Arabian Peninsula. There is evidence to show that there was trade in cotton cloth, spices, perfumes and handicrafts between India and the West Asian region from around 200 BC. The Arabs traded more than a thousand years ago with South West India for spices and carried them back to Europe.

It is also well known that people-to-people contact between West Asia and India continued over the centuries. In the post-colonial period, close political relations between India and other countries in the region gave us a common voice in shaping the global agenda through Non-alignment, characterised by principles of equality, rejection of colonialism, and independence in decision-making and action. These close relations also facilitated dialogue to resolve differences.

The unprecedented revolution in communication technology has activated cross-State linkages among non-State actors. Intra-State conflicts have the capacity now to snowball into international crises. This makes it necessary to isolate the factors causing international insecurity today and work in a cooperative manner to make our societies safer and more secure. As the traditional concept of militaristic state security is yielding ground to

a more comprehensive notion of security, we now need to identify non-traditional threats to security.

Given the vast reserves of hydrocarbon in the region, West Asia has emerged as the principal source of energy in the world. Once described as a 'marginal crescent' in world politics, it has made its mark as a critical pivot in the international economy today. The entire world, thus, has a stake in the security and stability of the region.

India has an abiding interest in peace and prosperity of the region. There are about 3.5 million workers from India in the Gulf countries. The remittances they send home are an important source of foreign exchange for us. Our oil imports from the region account for nearly 60% of our total crude oil imports. As regards our exports, the region is the third largest destination for Indian goods, behind only the European Union (EU) and North America. Exports to the region account for nearly 16% of our global exports.

India has always remained willing to share its experience with the countries in the Gulf and Middle East region. Economic reforms initiated in our country since the early nineties have led to a robust growth rate of over 7% in the GDP. This has been fuelled in large measure by ever growing manufacturing base in the country, alongside the world leadership position achieved in the areas of cutting edge technology. If the world has already witnessed the phenomenal growth of I.T and computer software industry in India, the coming years are expected to see India clocking similar, if not greater, thrust in the biotechnology and other development defining sectors. I have dwelt on this issue at some length since in the present times, this aspect has increasingly begun to define relations between countries and peoples. I am happy to note that these relations are poised to grow even stronger in the coming years with new opportunities having been made available, for flow of investments, both ways.

Our relationship with the Gulf Cooperation Council (GCC) has been growing. We have a mutual commitment to get engaged proactively. We have signed a Framework Agreement for Economic Cooperation with the GCC. We have also intensified our relations with all the key countries of the region. The King of Saudi Arabia has just concluded a historic visit to India. We have an ongoing dialogue mechanism with the Arab League and the possibility of further cooperation between India and Arab League Members, is being continually explored.

In recent years, the menace of international terrorism has been causing increasing concern to the world at large. The depredations of this scourge are not restricted to this country or that country or any specific region alone. We are witness every day to the growth of ever new global linkages amongst terrorist and radical groups. While it took the tragic events of 9/11 to focus world's attention to the threat posed by international terrorism, India has been a victim of this kind of terrorism for much longer. The international community can no longer afford to find excuses for not dealing with this problem in a concerted manner. Our fight has to be directed not only against those who perpetrate the terrorist crimes but also those more powerful interests which harbour and support terrorist elements for their narrow and short term, but ill-conceived, gains.

Commitment to the Palestinian cause has been a bedrock of our foreign policy even before we gained independence. In a cable sent to Mufti of Jerusalem on 4th Sept 1937, Pandit Jawaharlal Nehru, who became our first Prime Minister after independence, had affirmed, "*The Indian National Congress sends you greetings and assurance of full solidarity in the struggle for Palestine Independence*". In the post-independence period we have remained fully supportive of the legitimate aspirations of the Palestinian people for a homeland of their own. We believe that the conflict can be resolved only through meaningful dialogue and not by force; particularly since Arabs and Jews have lived together in peace for long. A just, comprehensive and durable peace in the region can only be achieved through negotiations on the basis of relevant UN Security Council resolutions as well as the "Land for Peace" principle. In this context, we support the 'Quartet Road Map' which has been accepted by both sides.

India welcomes the Gaza disengagement and hopes that the resurgence of violence will soon give way to peaceful negotiations. India has consistently urged an end to violence from all sides. We look forward to further progress in the peace process that would bring about a just and peaceful solution within a reasonable time frame, leading to a sovereign, independent State of Palestine with well-defined and secured borders, living at peace with the State of Israel. We also remain ready to join in the efforts of the international community for capacity building of the Palestinian people and for strengthening their administrative and democratic institutions.

Our people have traditionally enjoyed friendship and cordiality with the people of Iraq. We feel their pain and suffering and deeply empathize with them in these trying times. We are ready to respond to the needs of

the Iraqi people for stability, security, political progress and economic reconstruction. We have committed US \$20 million in assistance to the Iraqi people in response to the UN Secretary General's appeal in 2004 and, at the Donors' Conference held in Madrid in October 2004, we further committed an additional amount of US\$10 million to the two Iraqi Trust Funds. We distributed milk powder worth US \$ 1.2 million to Iraqi children through the World Food Programme in 2004 and have sent foodgrains to Iraq in 2005. We have also expressed our willingness to participate in the reconstruction of Iraqi petro-industry in future.

We believe that the UN has a crucial role to play in the process of political and economic reconstruction of Iraq. As such we welcomed the unanimous adoption of Resolution 1546 by the UN Security Council, on June 8, 2004. We also remain fully supportive of the right of the Iraqi people to freely determine their political future and to exercise control over their natural resources. We welcomed the Interim Government of Iraq as the first step towards transfer of full sovereignty to the people of Iraq. Only a fully inclusive political process leading to a truly representative Government in Iraq can effectively deal with challenges of fighting insurgency and rebuilding of the economy and it is in this context that we have welcomed the recent elections in Iraq. The priority before the international community now is to ensure gradual return to peace and normalcy in Iraq. A stable and peaceful Iraq is vital for the stability of the entire region, more so for India, since continued instability in Iraq can have dangerous consequences.

West Asia stands at the crossroads of history today. The ongoing turbulence in West Asia will have a major impact on the global security system. With its energy potential and the rest of the world's critical dependence on its resources, the region will continue to attract international attention in years to come. Large and growing extra-regional military presence in West Asia, and the rising constituency of radical religious groups threatening to assert their subversive strength against the States, will continue to be of great concern to the international community.

We have all seen the disastrous consequences of an untamed tide of violence in the region. We will have to cooperate with one another to stem this tide and find more effective ways of addressing the root causes of such violence. The main task awaiting the international community is to bring lasting peace and security to the region.

Distinguished Delegates, the concerns I have briefly touched upon are included in the comprehensive agenda of the Conference. I am sure,

during the course of the next two days you will deliberate on the issues defining the security dynamics of West Asia and its impact on the international political system. I have no doubt, your deliberations will provide valuable inputs for the strategic community in India and abroad, and help us in securing peace and prosperity for the people of West Asia and the world.

I would like to conclude with a quotation from our revered national poet Gurudev Rabindra Nath Tagore, He is conscious about our disagreements, our difficulties and our sufferings; but an eternal optimist that he was, he urges the mankind to move on and to strive to achieve happiness and peace:

“The current of the world has its boundaries, otherwise, it could have no existence, but its purpose is not shown in the boundaries which restrain it, but in its movement, which is toward perfection. The wonder is not that there should be obstacles and sufferings in this world, but that there should be law and order, beauty and joy, goodness and love.”

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089. Statement by Minister of State E. Ahamed at the 6th Meeting of the Council of Ministers of IOR-ARC.

Tehran, February 21, 2006.

Mr. Chairman,
Hon'ble Ministers,
Distinguished Delegates,

1. Let me, at the outset, convey my warm appreciation to the Government and people of the Islamic Republic of Iran for the gracious hospitality extended to me and my delegation and for the excellent arrangements made for our meeting here.
2. We are very sad that the driving force behind the last two IOR-ARC Council of Ministers meetings at Colombo H.E. Mr. Laxman Kadirgamar is no more with us. May I offer our condolences to the departed soul and take a vow to keep his vision of a successful IOR-ARC alive!

3. Our senior officials have had detailed deliberations over the past two days. They have, inter-alia, discussed administrative and budgetary concerns. The recommendations they have made for our consideration are practical and result oriented. We need our Secretariat to be assured of logistical and budgetary support so that we can demand commensurate results from it. On our part, we would be happy to support the recommendations that have been made.
4. I wish to also place on record my delegation's appreciation for the generous financial contribution Mauritius has made in the running of the Coordinating Secretariat at Port Louis. We hope that the Coordinating Secretariat will closely monitor the implementation of the many activities and projects proposed by the Academic Group, the Business Forum and the WGTI. We understand that many of these projects would require additional financial assistance in the form of voluntary contribution from the Member States. I am, therefore, pleased to announce India's voluntary contribution of US\$50,000 to the Special Fund in the year 2006 to carry out IOR-ARC's activities. This reconfirms our trust in IOR-ARC and demonstrates our political will to support the activities of the grouping.
5. Mr. Chairman, in assessing the achievements of our organisation, we must also take into account the fact that we are a diverse group of countries, with different levels of economic development and also belonging at times to different regional groupings. However, it is the Indian Ocean, which sustains the maritime lifeline of over 50% of world trade that binds us together. We should encourage the three working groups - the Academic Group, the Business Forum and the Working Group on Trade and Investment to come up with tangible proposals based on our complementarities and synergies.
6. I would like to suggest that we organise workshops on issues having direct relevance to our trade and industry sectors or for developmental activities in our countries. There are many areas where we can benefit by sharing each others' developmental experiences, technologies, traditional knowledge or best practices.
7. Disaster Mitigation and Management has emerged as a significant area of international cooperation, particularly after the Tsunami of 26 December 2004. India had organized an IOR-ARC Workshop on Disaster Mitigation and Management in 2005. Tsunami has made us to recognize the need for a comprehensive oceanogenic disaster

forecasting and mitigation system. I am happy to note that the Committee of Senior Officials have accepted India's offer of establishing an Expert Group to discuss issues related to setting up of a network of early warning centers in the member countries to transact real time data. India is prepared to share the experience gained in Mitigation of Natural Disasters with other IOR-ARC Member States and provide training for building capacity in prediction, modeling, forecasting and early warning of natural disasters. At the same time, we would be happy to learn from the experiences of other member states in this important field.

8. Mr. Chairman, the private sector in India has made a significant progress in recent years. Our knowledge industries have created their own brand image. This is attracting major global corporations to invest and locate in India. At the same time, the Indian private sector is also looking for investment opportunities overseas. My Government is ready to facilitate private sector investments in IOR-ARC member states for mutual benefit. In this context, I am happy to announce that we would organise an IOR Trade Fair in India. On the sidelines of the Trade Fair, sectoral seminars, Buyer Seller Meets could also be arranged. In order to promote the private sector led business activities, we need to look at the issue of visa facilitation for bonafide business travelers. India grants multiple entry long term visa for individuals falling in this category.
9. Mr. Chairman, you would agree with me that people to people interaction would indeed play a pivotal role in bridging the civilization gaps in our region. Let us think of initiating such activities which can utilize this synergy and lead to a better visibility of the region in our own countries in particular and world at large. We can think of events such as IOR-ARC cultural festivals, Film Festivals etc. as way forward in this context.
10. Tourism is an important aspect of our interaction. According to a World Tourism Council report, South Asia and South East Asia have shown the largest percentage increase in tourist arrival which encompasses the entire Indian Ocean Rim. India will be willing to host a roundtable of tourism sector representatives from the member countries leading to better synergy amongst our tourism industry players, including tour operators. They should be encouraged to work out tour packages encompassing more than two countries in our region.

11. Before I conclude, let me express Mr. Chairman, my delegation's full support and commitment for the Indian Ocean Rim Association for Regional Cooperation. I am confident that our deliberations under your mature leadership would lead us to concrete decisions that would take forward our young grouping.

Thank you, Mr. Chairman.

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090. Speech of Prime Minister Dr. Manmohan Singh at the Asian Corporate Conference “Driving Global Business: India’s New Priorities, Asia’s New Realities”.

Mumbai, March 18, 2006

I am truly delighted to welcome you all to India! I thank Vishakha Desai and her colleagues for choosing Mumbai as the venue for your Conference this year. We, in India, are delighted that an authority on Indian art and a charming daughter of India has been chosen to head the Asia Society! I am particularly happy to welcome in our midst Ambassador Phillips Talbott, who studied here more than half a century ago, at universities in Aligarh and Santiniketan.

I am also happy to welcome Mr Richard Holbrooke. I believe he too has an old and intimate association with India, going back to his childhood. His father was the personal physician of the Late Krishna Menon in New York! It is these personal memories of individuals that bind our two great democracies together. It is the warmth of such people-to-people relations and the rewards of business-to-business relations that have taken the relations between our two countries to a new height. The Asia Society has done commendable work in fostering understanding and cooperation between the USA and Asia in the field of culture, arts, economics and business. I thank organizations like the Asia Society for playing their constructive part in this renewed engagement between our two nations. I congratulate you on the establishment of your regional center in Mumbai.

I was impressed by the fact that President Bush chose your forum to articulate his views on the Indian sub-continent before his visit here. In his speech President Bush observed: “Some people have said the 21st century

will be the Asian century. I believe the 21st century will be freedom's century." Both are true, as the one does not exclude the other. I do not mean that it will be Asia's Century, or indeed any region's century, in terms of the dominance of any single region or power. Those days are gone. In this globalised world, we are all inter-dependent, and the world will become better only when we all work together. That I believe is what your President meant when he indicated that rather than an Asian century, we should look forward to the dominance of freedom.

In a very real sense, Asia too has been finally coming into its own. No part of the world is more full of diversities or so rich in variety. Home to so many of the world's greatest civilisations, to so many of its most gifted peoples, after centuries of subjugation its different countries have again become leading contributors to the evolution of our world. They have their problems, they have their challenges. They have yet to work together more closely and productively. Doing so on the basis of equality and mutual benefit, they can make for a more harmonious and stable international community as a whole. Cooperation between them and America is no less essential than cooperation between themselves. In that context, the strengthening of ties between India and America is, I believe, a major positive development for Asia as a whole.

The theme of your Conference, "Driving Global Business: India's New Priorities, Asia's New Realities", captures the essence of the change that has taken place since you last met in India in 2001. The reality of Asia's significance in the global economy today cannot be brushed aside. The economic balance is definitely and decisively shifting to Asia as half the growth in world output now comes from Asia. In manufacturing and services, Asia is a globally competitive region. Asia is possibly equally competitive in agriculture if we had fewer distortions in agricultural trade. In global finance, Asia now funds almost the entire current account deficit of the rest of the world. I believe that the time has now come for financial markets and the global financial architecture take cognizance of this shift in balance and reform the architecture in the best global interest. And cities like Mumbai, with their top class human capital and commercial acumen, have a role in this new global financial architecture as international financial centers.

Just as Asia has changed in the last decade, India too has changed. When we initiated a new turn in our economic policies in 1991, we did not anticipate that within a decade India would be "driving" global business.

Our share of global merchandise trade was very low, and continues to be low. Our share of global capital flows was low, and continues to be so. Yet, by 2001 Indian enterprise was making a difference to global business in various sectors.

It began with “Y2K”. It may not have been a coincidence that your last meeting in 2001 was in Bangalore. That city symbolized the arrival of India on the global stage in the knowledge economy. Global companies reached out to Indian professionals to secure an edge in a competitive global market. Companies and countries that made good use of Indian talent benefited and remained competitive. Graduating out of Y2K, the Indian information technology industry offered a range of services that have found a growing market worldwide.

Indian enterprise and talent are driving global business in a wide range of sectors across the world. This has given Indian business a new sense of confidence. Gone are the days of the “Bombay Club”. There is today more steel in the resolve of Indian enterprise! This new sense of confidence comes from growing success of Indian enterprise in the face of competition in an increasing number of sectors.

Our tariffs have come down, but our share of world trade has gone up! There was a time when finance ministers were pilloried for cutting tariffs, today they are praised for doing so! What has made the difference?

Certainly, our own experience of recording higher growth in a more open economy has helped. But I must also pay tribute to East Asia and South East Asia for boosting our confidence. The success of member countries of ASEAN, of the Republic of Korea and of China, have all shaped our thinking. When we first set the target of bringing India’s tariffs down to “ASEAN levels”, it was not just an exercise in tariff liberalization but an attempt to benchmark our economic performance against some of the best performers in our neighborhood. And this benchmarking has helped.

I must pay tribute to our East and South-East Asian neighbours for shaping our own thinking on globalisation and the means to deal with it. Some of you might recall that in 1992, our Government launched India’s “Look East Policy”. This was not merely an external economic policy, it was also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most of all it was about reaching out to our civilizational neighbours in the region. I have always viewed India’s destiny as being inter-linked with that of Asia and more so South East Asia. Our

trade with Asia has increased exponentially in the past decade. Today the East Asian Community of nations has overtaken Europe and the Americas as the largest bloc among our trading partners.

This is Asia's "new reality" and it is shaping India's "new priorities". Together these will drive "global business". Your Conference could not have been better conceptualized!

What are our new priorities? I believe that India has come to terms with the reality of globalisation. We have concerns about nascent protectionism, particularly in agriculture. We have concerns about the priorities of the World Trade Organisation and the uneven pursuit of the Doha Round agenda. We have concerns about the lack of transparency in the policies of some countries. Yet, we are now ready to face global competition on a level playing field.

India's share in the global flows of goods, services, knowledge and culture has grown in the past decade. Today, our external economic profile is robust and reassuring to investors, at home as well as abroad. Our economy has recorded close to 8% annual growth for two years in a row. We do hope to raise India's annual growth rate to the range of 9 to 10 %. Our optimism is based on the fact that our savings rate is now over 29% of GDP and the investment rate is about 31% of GDP. And with a growing young population and as our economy becomes more hospitable to foreign direct investment, we expect a further increase in the investment rate.

In the past year and a half, our policies relating to investment, taxation, foreign trade, FDI, banking, finance and capital markets have evolved to make Indian industry and enterprise more competitive globally. We have launched a massive program for rural and urban renewal which will upgrade our infrastructure. It will generate new incomes and employment, and thereby expand the domestic market. New policies are in place for enabling public-private partnerships in the modernisation of the roads system, railways, ports, airports, power and the entire urban infrastructure. The telecommunications boom of the past decade has to be sustained for which we are working towards releasing additional spectrum to mobile telephone firms so that they can reach out to the hitherto underserved regions of rural India. Sector specific mega-investment regions with investments of upto US\$ 10 billion in each location are being promoted, beginning with chemicals and petrochemicals, and the necessary policy framework for this is being evolved. The entire energy sector including petroleum, natural gas, power and captive coal mining offer exciting

opportunities. Investment opportunities exist in all these sectors and I invite investors from across the world to participate in the growth processes we have unleashed.

India is a vibrant marketplace. Our entrepreneurs are investing overseas successfully. Businesses from abroad, including from many Asian countries find India a productive and profitable business destination. The process of engagement in the Asian region has truly taken off. I am confident it will be self-sustaining, enhancing direct contact between peoples and civil societies of the region. We are linking India into a web of partnerships with the countries of the region through free trade and economic cooperation agreements. We have concluded Free Trade Agreements with SAARC, Singapore, Thailand and ASEAN. We are working on similar arrangements with Japan, China and Korea. This web of engagements may herald an eventual free trade area in Asia covering all major Asian economies and possibly extending to Australia and New Zealand. This Pan Asian FTA could be the future of Asia and will, I am certain, open up new growth avenues for our own economy.

The challenge that faces all of us today is to create and maintain a regional and international environment that enables us to attain and sustain high rates of economic growth. We must create opportunities for entrepreneurship to flourish not only locally, but also regionally and globally. Economic activity cannot be confined to national borders; it must be channeled to fuel growth in each other's countries. Regional trading arrangements have become important building blocks of multilateralism in the increasingly globalized world that we live in.

I do recognize, however, that we have some work to do at home to make our economy more competitive and to facilitate faster economic growth. Our Government is committed to creating world class infrastructure, to investing in building human capabilities and to stepping up the rate of growth of investment, while at the same time building a caring, inclusive society.

To guide us in attaining these goals I invited one of Mumbai's most highly regarded business leaders, my friend Shri Ratan Tata, to chair the Investment Commission. The group recently submitted its first report and our Government will implement many of the ideas in it. Mr Tata and his colleagues have estimated that to sustain an annual growth rate of 8% over the next five years, the economy would require investment of over \$1.5 trillion. The Commission has estimated that this should include FDI of over \$70 billion.

I fully agree with the overall thrust of the Investment Commission's recommendations. We have to reduce the transaction cost of doing business in India. We have to bring our infrastructure in line with global standards. We have to ensure global best practices in our regulatory institutions and systems. We need to simplify regulatory and approval procedures. We are committed to doing so. Today morning, I launched an e-governance initiative of the Ministry of Company Affairs which automates the statutory record filing and record keeping functions of a key ministry. This would benefit business firms. We need to do more of the same. I have often said that our people have come to expect that they are entitled to world class facilities, world class services and world class infrastructure. It is incumbent on us in Government to fulfill these expectations.

Power is one area where critical gaps persist. We have taken many new initiatives recently to facilitate public-private partnerships in the energy sector. Many of you will be relieved to know that we have finally resolved all issues related to the Dabhol power project in Maharashtra which will restart this year. We are working on mega power projects to bridge the demand-supply gap. Our recent agreement with the United States should open up new avenues for investment in civilian nuclear power, in non-conventional sources of power, and in clean coal technologies. Availability of cheap, environment friendly, good quality power is an essential ingredient of growth and I am confident that with the access to best technologies in the world, we will achieve our goals.

I recognize that there has been a relative neglect of manufacturing in India in recent years. Mumbai was the manufacturing capital of India. To revive manufacturing industry, to make it globally competitive, and to make it the driving force for employment and economic growth, we have unveiled a ten year National Manufacturing Initiative. Emphasis will be placed on labour-intensive sectors such as textiles & garments, leather & leather goods, food processing, IT hardware & electronics and auto components.

Focused attention will be given to the growth of our dynamic services sector including software, outsourcing, tourism, education and healthcare so as to create large employment opportunities. At the same time, we are reforming the institutional architecture within which enterprises function. We are trying to reform the legal system to reduce arrears and improve the speed of the justice delivery system. We are examining the possibility of having alternate dispute resolution mechanisms, particularly for commercial disputes. The Knowledge Commission is working on strengthening the

base of the knowledge economy through improved higher education systems. We have taken the first steps by beginning work on setting up three new Indian Institutes of Science. I do believe that if we create a more liberal environment for enterprise, the Indian genius will respond more handsomely to new opportunities for employment and income generation.

I urge business leaders in Mumbai to provide the leadership we need here to give a new lease of life to Mumbai. I am convinced that a historic opportunity for the revamping of Mumbai presents itself before us today. Mumbai can emerge as a new financial capital of Asia, and be the bridge between Asia and the West in the world of finance.

A proposal to make Mumbai a Regional Financial Centre is already under active consideration. Our economic reforms have accelerated growth, enhanced stability and strengthened both external and financial sectors. Our trade as well as financial sectors are already considerably integrated with the global economy and the trend is irreversible. Mumbai, with all its inherent advantages in terms of human capital and commercial acumen, can be positioned as a viable Regional Financial Centre. Given the changes that have taken place over the last two decades, there is merit in moving towards fuller capital account convertibility within a transparent framework. Our own position, internally and externally, has become far more comfortable. I have requested the Finance Minister and the Reserve Bank to revisit the subject and come out with a roadmap on capital account convertibility based on current realities. This will facilitate the transformation of Mumbai into not only a Regional but also a Global Financial Centre. There are multiple options that are possible for such a centre, including as an SEZ, and I am confident that we can make steady but firm progress in that direction.

I am happy to learn that the Asia Society will open an India Center here in Mumbai. Mumbai is one of our most vibrant and globalised cities, pulsating with creativity and enterprise. I am sure that the Asia Society will find Mumbai a hospitable city, and truly a "Gateway to India". Mumbai needs investment in urban renewal. Mumbai needs a world class airport. Mumbai needs better public transport. Mumbai must unlock the potential of its under-utilised assets, especially land.

When I spoke of turning Mumbai into a Shanghai, many wondered what I had in mind. It is not my intention to draw a road map for Mumbai's future. But I do believe that Mumbai can learn from Shanghai's experience in reinventing itself; in rebuilding itself; in rediscovering itself. Mumbai is

one of our most cosmopolitan cities. The Mumbaikar is a truly national Indian. I salute the spirit of Mumbai. I urge every Mumbaikar to transform this city from being a Gateway to India to becoming a Gateway to Asia! Mumbai has the human skills, the connectivity and the advantage of location to become the financial capital of Asia. It will get the infrastructure it rightfully deserves to realize this dream.

I hope the Asia Society will be one of the catalysts in this process. I wish your Conference all success.

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091. Address by Secretary (East) in the Ministry of External Affairs Rajiv Sikri at the 6th Bangladesh-China-India-Myanmar Forum.

New Delhi, March 30, 2006.

President of Centre for Policy Research, Prof. Pratap Bhanu Mehta, Deputy Foreign Minister of Myanmar, H.E. Mr. U. Maung Myint, Vice Governor of China's Yunnan Province, H.E. Mr. Liu Ping, Chairman, Centre for Policy Dialogue, Bangladesh, Prof. Rehman Sobhan, Distinguished scholars, Ladies and Gentlemen,

1. I am grateful to the Institute of Chinese Studies and the Centre for Policy Research for giving me this opportunity to address this august gathering of scholars and officials who are present here to attend the Sixth Forum on Regional Economic Cooperation among Bangladesh-China-India-Myanmar, or BCIM. That the current forum is the sixth of its series is testimony to the utility of this Track-II initiative in exploring sub-regional cooperation among the four countries.
2. The BCIM initiative has attracted much attention in India, as it has the potential to bring our three of our most important neighbours closer to us in a joint pursuit of common prosperity through the increasing use of mechanisms of regional integration. The initiatives and ideas jointly conceived by our scholars at the past forums have provided substantive inputs for policy-makers in the four countries.
3. India enjoys excellent political relations with Bangladesh, China and Myanmar. It is not just that we are neighbours sharing common

borders; all of us also face similar opportunities and challenges in our respective quests for rapid economic growth, national development and prosperity of our people. In our mutual relationships, there is increasingly greater focus on economic issues, which will enable us to realize the untapped potential of our economic cooperation and make it commensurate with the level of our political relationships.

4. India is actively engaged in a sustained endeavour to strengthen bilateral engagement with Bangladesh, China and Myanmar. For us, cooperation with these three important neighbours is a core component of our “Look East” policy, which occupies high priority in India’s foreign policy and reflects recognition of the strategic importance of Asia in tomorrow’s world and of our place in the evolving global economy. It is also our belief that developments in our eastern neighbourhood directly affect our security and development. Thus the bonds of friendship and cooperation that we are actively creating with our eastern neighbours have a strong economic foundation as well as a positive convergence of security interests.
5. Bangladesh is a key member of the South Asian fraternity, and a most important neighbour and regional partner for India. In fact, I would say that it is special and unique for India, because the Indian State of West Bengal, Bangladesh and the Northeast region of India have historically constituted an integrated space. Our multi-dimensional relations and our traditional friendship and wide-ranging cooperation with Bangladesh were given a boost during Prime Minister Begum Khaleda Zia’s State visit to India a few days ago. With our respective rich natural and human resources, India and Bangladesh have a significant convergence of interests in taking full advantage of the shared opportunities, complementarities and synergies that flow out of our historical, geographical, political, economic and cultural closeness, and in tackling some of the challenges in our region, such as terrorism and drug-trafficking.
6. India’s relations with Myanmar, rooted in shared historical, ethnic, cultural and religious ties, are marked by friendship, mutual trust and sustained high-level exchanges. Earlier this month, President Dr. A.P.J. Abdul Kalam’s significant visit to Myanmar provided a welcome opportunity to renew our mutual commitment for a deeper and more broad-based engagement. Economic cooperation

provides an important underpinning of India-Myanmar ties. Sharing with India a long land and maritime boundary, Myanmar is India's gateway to South East and East Asia. We are involved in a number of infrastructure projects in Myanmar to improve road and rail connectivity, address our energy needs, and promote development.

7. As India's largest neighbour and a key player in the international arena, China remains an important priority of India's foreign policy. Through our joint efforts, India-China relations have progressively developed and diversified. The overall trend of the relationship in recent years has been overwhelmingly positive, and marked by regular high-level exchanges. Based on our shared conviction that they have more than just a bilateral dimension, India-China relations have now acquired a long-term, global and strategic character. The fact that trade and economic relations have emerged as the trendsetter in the overall India-China relations is not a mere coincidence, but rather the result of a conscious effort on both sides to bring our relationship in tune with the present realities by building upon mutual complementarities. Not only is there enough space and opportunity in the region and beyond for both India and China to grow together, rather the economic dynamism of India and China offers an unprecedented opportunity for growth and development in the region and in the whole of Asia, including for countries in our immediate neighbourhood. India-China partnership is an important determinant for regional and global peace and development, and crucial for Asia's emergence as a pole of growth and influence in the 21st century.
8. India has changed significantly in the last decade and a half since we launched a bold agenda of economic reforms and liberalization. This has yielded impressive dividends. India has emerged as one of the largest and fastest growing economies of the world, with a leadership role in many cutting-edge technologies. Against this backdrop, we increasingly see our growth and prosperity as being interlinked with the rest of world, particularly with our larger neighbourhood in Asia. Our "Look East" policy has acquired greater substance and depth. We have a vision of a more robust regional integration in Asia, perhaps in the form of a Pan-Asian Free Trade Area or even an Asian Economic Community, which would take optimal advantage of our continent's new economic dynamics and the existing synergies which are bringing us closer together in search of greater collective prosperity and security.

9. Articulating the vision of a prosperous South Asia, Prime Minister Dr. Manmohan Singh has emphasized that it is essential that we unlock the potential of this region by dismantling the existing barriers that restrict the movement of people, goods and investment within and across the region. The same logic applies to our extended neighbourhood to the east. Meaningful sub-regional and regional cooperation on India's east, that would create an arc of prosperity from the Himalayas to the Pacific, is dependent upon greater connectivity and a dismantling of barriers between us to allow free movement of goods, people and ideas.
10. Our four countries are already mutually interacting with one another through a wide array of many bodies promoting regional and sub-regional cooperation. For example, India and Bangladesh are close partners in SAARC where China will also be an Observer. Bangladesh and Myanmar closely cooperate with us within the framework of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC. With Myanmar, India shares another important regional organization – the Mekong-Ganga Cooperation (MGC), besides cooperating within the India-ASEAN Summit framework. Both India and China are Summit partners of ASEAN. With China and Myanmar, we have joined hands in an important initiative in the form of the East Asia Summit, launched in December last year in Kuala Lumpur, which has laid the foundations for a cooperative regional architecture in Asia leading to the long-term goal of creating an East Asian Community. Our three countries are also cooperating within the framework of the Pentalateral Group on Drug Control. As an Observer in the Shanghai Cooperation Organisation, or SCO, India shares with China yet another forum for regional cooperation, in this case in Central Asia. Our regional engagement with China also includes the trilateral cooperation that the two of us have with Russia.
11. Sub-regional exchanges among our four countries could help realise the latent potential that exists between us for meaningful cooperation based on mutual complementarities and equal partnership. But the impressive web of our regional and sub-regional interaction with one other does bring out that the conceptual framework offered by the BCIM initiative is already subsumed within the existing collaborative architecture in our region. Given that we already have between us a number of overlapping regional and sub-regional groups that provide established platforms for exploring mutually beneficial cooperation,

we need to examine deeply, critically and clearly whether a proliferation of sub-regional groups is desirable without establishing their economic utility or viability.

12. More important than formal structures is the vision of practical cooperation that the scholars and businesspersons from the BCIM countries gathered here can bring, as a result of your deliberations, to our common objective of getting the four countries to harness their respective advantages for all-round benefit. We would welcome ideas for project-based cooperation in specific sectors, such as trade, transport and tourism. Projects in these areas, however, must be concrete, economically viable and interlink the major production and commercial centres of all the four countries.
13. It is encouraging that the civil societies in our respective countries are increasingly coming together to explore the avenues for greater contacts and exchanges between the four countries. Our scholars and trade bodies have done good work in putting forth various ideas to enhance economic integration and people-to-people contacts in the sub-region. In its past meetings, the BCIM Forum has come up with ideas for sub-regional cooperation in some important areas such as trade, transport, tourism, energy security, etc. Some of the interesting ideas include test transportation of cargo from Kunming to Kolkata through Myanmar and Bangladesh, Kolkata-Kunming motor car rally via Bangladesh, enhancement of civil aviation links, development of tourism circuits and promotion of cultural exchanges between the four countries. I am confident that the same effort will continue in the present Forum and specific proposals would emerge from its deliberations, for consideration by the Governments of the four countries.
14. Ladies and Gentlemen, I am confident that your exchanges and deliberations over the next couple of days would be stimulating and productive. Before concluding, I would like to place on record our commendation of the good work done by the BCIM Forum and our appreciation of its usefulness as a Track-II initiative. We would be happy to see this Track-II exercise continuing, with appropriate involvement and support of the concerned Governments as needed.
15. I wish the Forum all success. Thank you.

092. Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia.

April 7, 2006.

The Contracting Parties to this Agreement. Concerned about the increasing number of incidents of piracy and armed robbery against ships in Asia.

Mindful of the complex nature of the problem of piracy and armed robbery against ships.

Recognizing the importance of safety of ships, including their crew, exercising the right of navigation provided for in the United Nations Convention on the Law of the Sea of 10 December 1982, hereinafter referred to as “the UNCLOS”.

Reaffirming the duty of States to cooperate in the prevention and suppression of piracy under the UNCLOS.

Recalling “Tokyo Appeal” of March 2000, “Asia Anti-Piracy Challenges 2000” of April 2000 and “Tokyo Model Action Plan” of April 2000.

Noting the relevant resolutions adopted by the United Nations General Assembly and the relevant resolutions and recommendations adopted by the International Maritime Organization.

Conscious of the importance of international cooperation as well as the urgent need for greater regional cooperation and coordination of all States affected within Asia, to prevent and suppress piracy and armed robbery against ships effectively.

Convinced that information sharing and capacity building among the Contracting Parties will significantly contribute towards the prevention and suppression of piracy and armed robbery against ships in Asia.

Affirming that, to ensure greater effectiveness of this Agreement, it is indispensable for each Contracting Party to strengthen its measures aimed at preventing and suppressing piracy and armed robbery against ships.

Determined to promote further regional cooperation and to enhance the effectiveness of such cooperation,

Have agreed as follows:

Part I Introduction

Article 1 Definitions

1. For the Purposes of this Agreement, "piracy" means any of the following acts:
 - a. any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft and directed
 - i. on the high seas, against ship, or against persons or property on board such ship;
 - ii. against a ship, persons or property in a place outside the jurisdiction of any state;
 - b. any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft;
 - c. any act of inciting or of intentionally facilitating an act described in subparagraph (a) or (b).
2. For the purposes of this Agreement, "armed robbery against ships" means any of the following acts:
 - a) any illegal act of violence or detention, or any act of depredation, committed for private ends and directed against a ship, or against persons or property on board such ship, in a place within a Contracting Party's jurisdiction over such offences;
 - b) any act of voluntary participation in the operation of ship with knowledge of facts making it a ship for armed robbery against ships;
 - c) any act of inciting or of intentionally facilitating an act described in subparagraph (a) or (b).

Article 2 General Provisions

1. The contracting Parties shall, in accordance with their respective national laws and regulations and subject to their available resources or capabilities, implement this agreement, including preventing and suppressing piracy and armed robbery against ships, to the fullest extent possible.

2. Noting in this agreement shall affect the rights and obligations of any Contracting Party under the international agreements to which that Contracting Party is party, including the UNCLOS, and the relevant rules of international law.
3. Nothing in this agreement shall affect the immunities of warships and other government ships operated for non-commercial purposes.
4. Nothing in this agreement nor any act or activity carried out under this agreement shall prejudice the position of any Contracting Party with regard to any dispute concerning territorial Sovereignty or any issues related to the law of the sea.
5. Nothing in this agreement, entitles Contracting Party to undertake in the territory of another Contracting Party the exercise of jurisdiction and performance of functions which are exclusively reserved for the authorities of that other Contracting Party by its national law.
6. In applying paragraph 1 of Article 1, each Contracting Party shall give due regard to the relevant provisions of the UNCLOS without prejudice to the rights of the third parties.

Article 3

General Obligations

1. Each Contracting Party shall, in accordance with its national laws and regulations and applicable rules of international law, make every effort to take effective measures in respect of the following:
 - a to prevent and suppress piracy and armed robbery against ships;
 - b to arrest pirates or persons who have committed armed robbery against ships;
 - c to seize ships or aircraft used for committing piracy or armed robbery against ships, to seize ships taken by and under the control of pirates or persons who have committed armed robbery against ships, and to seize the property on board such ship; and
 - d to rescue victim ships and victims of piracy or armed robbery against ships.
2. Nothing in this Article shall prevent each Contracting Party from taking

additional measures in respect of subparagraphs (a) to (d) above in its land territory.

Part II Information Sharing Center

Article 4 Composition

1. An information sharing center, hereinafter referred to as “the Center”, is hereby established to promote close cooperation among the Contracting Parties in preventing and suppressing piracy and armed robbery against ships.
2. The Center shall be located in Singapore.
3. The Center shall be composed of the Governing Council and the Secretariat.
4. The Governing Council shall be composed of one representative from each Contracting Party. The Governing Council shall meet at least once every year in Singapore, unless otherwise decided by the Governing Council.
5. The Governing Council shall make policies concerning all the matters of the Center and shall adopt its own rules of procedure, including the method of selecting its Chairperson.
6. The Governing Council shall take its decisions by Consensus.
7. The Secretariat shall be headed by the Executive Director who shall be assisted by the staff. The Executive Director shall be chosen by the Governing Council.
8. The Executive Director Shall be responsible for the administrative, operational and financial matters of the Center in accordance with the policies as determined by the Governing Council and the provisions of this Agreement, and for such other matters as determined by the Governing Council.
9. The Executive Director shall represent the center. The Executive Director shall with the approval of the Governing Council, make rules and regulations of the Secretariat.

Article 5 Headquarters Agreement

1. The center, as an international organization whose members are the contracting parties to this agreement, shall enjoy such legal

capacity, privileges and immunities in the Host State of the center as are necessary for the fulfillment of its functions.

2. The Executive Director and the Staff of the Secretariat shall be accorded, in the Host State, such privileges and immunities as are necessary for the fulfillment of their functions.
3. The Center shall enter into an agreement with the Host State on matters including those specified in paragraphs 1 and 2 of this article.

Article 6 Financing

1. The expenses of the Center, as provided for in the budget decided by the Governing Council, shall be provided by the following sources:
 - (a) Host State financing and support;
 - (b) Voluntary Contributions from the Contracting Parties;
 - (c) Voluntary Contributions from international organizations and other entities, in accordance with relevant criteria adopted by the Governing Council.
2. Financial matters of the centers shall be governed by a financial regulation to be adopted by the Governing Council.
3. There shall be an annual audit of the accounts of the Center by an independent auditor appointed by the Governing Council. The audit report shall be submitted to the Governing Council and shall be made public, in accordance with the financial regulation.

Article 7 Functions

The functions of the Center shall be:

- (a) to manage and maintain the expeditious flow of information relating to incidents of piracy and armed robbery against ships among the Contracting Parties;
- (b) to collect, collate and analyze the information transmitted by the Contracting Parties concerning piracy and armed robbery against ships, including other relevant information, if any, relating to individuals and transnational organized criminal groups committing acts of piracy and armed robbery against ships;

- (c) to prepare statistics and reports on the basis of the information gathered and analyzed under subparagraph (b), and to disseminate them to the contracting parties;
- (d) to provide an appropriate alert, whenever possible, to the Contracting Parties if there is a reasonable ground to believe that a threat of incidents of piracy or armed robbery against ships is imminent;
- (e) to circulate request referred to in article 10 and relevant information on the measures taken referred to in Article 11 among the Contracting Parties;
- (f) to prepare non-classified statistics and reports based on information gathered and analyzed under sub-paragraph (b) and to disseminate them to the shipping community and the international Maritime Organization; and
- (g) to perform such other functions as may be agreed upon by the Governing Council with a view to preventing and suppressing piracy and armed robbery against ships.

Article 8 Operation

1. The daily operation of the Center shall be undertaken by the Secretariat.
2. In carrying out its functions, the center shall respect the confidentiality of information provided by any Contracting Party, and shall not release or disseminate such information unless the consent of that Contracting Party is given in advance.
3. The center shall be operated in an effective and transparent manner, in accordance with the policies made by the Governing Council, and shall avoid duplication of existing activities between the Contracting Parties.

Part III Cooperation through the Information Sharing Center

Article 9 Information Sharing

1. Each Contracting Party shall designate a focal point responsible for its communication with the Center, and shall declare its designation of such focal point at the time of its signature or its deposit of an instrument of notification provided for in Article 18.

2. Each Contracting Party shall, upon the request of the Center, respect the confidentiality of information transmitted from the Center.
3. Each Contracting Party shall ensure the smooth and effective communication between its designated focal point, and other competent national authorities including rescue coordination centers, as well as relevant non-governmental organizations.
4. Each Contracting Party shall make every effort to require its ships, ship owners, or ship operators to promptly notify relevant national authorities including focal points, and the Center when appropriate, of incidents of piracy or armed robbery against ships.
5. Any Contracting Party which has received or obtained information about an imminent threat of, or an incident of, piracy or armed robbery against ships shall promptly notify relevant information to the Center through its designated focal point,
6. In the event that a Contracting Party receives an alert from the Center as to an imminent threat of piracy or armed robbery against ships pursuant to subparagraph (d) of Article 7, that Contracting Party shall promptly disseminate the alert to ships within the area of such an imminent threat.

Article 10

Request for Cooperation

1. A Contracting Party may request any other Contracting party, through the Center or directly, to cooperate in detecting any of the following persons, ships or aircraft;
 - (a) pirates;
 - (b) persons who have committed armed robbery against ships;
 - (c) ships or aircraft used for committing piracy or armed robbery against ships, and ships taken by and under the control of pirates or persons who have committed armed robbery against ships; or
 - (d) victim ships and victims of piracy or armed robbery against ships.
2. A Contracting Party may request any other Contracting Party, through the Center or directly, to take appropriate measures, including arrest or seizure, against any of the persons or ships mentioned in

subparagraph (a), (b), or (c) or paragraph 1 of this Article, within the limits permitted by its national laws and regulations and applicable rules of international law.

3. A Contracting Party may also request any other Contracting Party, through the Center or directly, to take effective measures to rescue the victim ships and the victims of piracy or armed robbery against ships.
4. The Contracting Party which has made a direct request for cooperation pursuant to paragraphs 1, 2 and 3 of this Article shall promptly notify the Center of such request.
5. Any request by a Contracting Party for cooperation involving extradition or mutual legal assistance in criminal matters shall be made directly to any other Contracting Party.

Article 11

Cooperation by the Requested Contracting Party

1. A Contracting Party, which has received a request pursuant to article 10, shall subject to paragraph 1 of article 2, make every effort to take effective and practical measures for implementing such request.
2. A Contracting Party, which has received a request pursuant to article 10, may seek additional information from the requesting Contracting Party for the implementation of such request.
3. A Contracting Party, which has taken measures referred to in paragraph 1 of this Article, shall promptly notify the Center of the relevant information on the measures taken.

Part IV Cooperation

Article 12

Extradition

A Contracting Party shall, subject to its national laws and regulations, endeavor to extradite pirates or persons who have committed armed robbery against ships, aid who are present in its territory, to the other Contracting Party which has jurisdiction over them, at the request of that Contracting Party.

Article 13

Mutual Legal Assistance

A Contracting Party shall, subject to its national laws and regulations,

endeavor to render mutual legal assistance in criminal matters, including the submission of evidence related to piracy and armed robbery against ships, at the request of another Contracting Party.

Article 14 Capacity Building

1. For the purpose of enhancing the capacity of the Contracting Parties to prevent and suppress piracy and armed robbery against ships, each Contracting Party shall endeavor to cooperate to the fullest possible extent with other Contracting Parties which request cooperation or assistance.
2. The Center shall endeavor to cooperate to the fullest possible extent in providing capacity building assistance.
3. Such capacity building cooperation may include technical assistance such as educational and training programs to share experiences and best practices.

Article 15 Cooperative Arrangements

Cooperative arrangements such as joint exercises or other forms of cooperation, as appropriate, may be agreed upon among the Contracting Parties concerned.

Article 16 Protection Measures for Ships

Each Contracting Party shall encourage ships, ship owners, or ship operators, where appropriate, to take protective measures against piracy and armed robbery against ships, taking into account the relevant international standards and practices, in particular, recommendations adopted by the International Maritime Organization.

Part V Final Provisions

Article 17 Settlement of Disputes

Disputes arising out of the interpretation or application of this Agreement, including those relating to liability for any loss or damage caused by the request made under paragraph 2 of Article 10 or any measure taken under paragraph 1 of Article 1, shall be settled amicably by the Contracting

Parties concerned through negotiations in accordance with applicable rules of international law.

Article 18

Signature and entry into force

1. This Agreement shall be open for signature at the depositary referred to the paragraph 2 below by the People's Republic of Bangladesh, Brunei Darussalam, the Kingdom of Cambodia, the People's Republic of China, the Republic of India, the Republic of Indonesia. Japan, the Republic of Korea, the Lao People's Democratic Republic. Malaysia, the Union of Myanmar. the Republic of the Philippines, the Republic of Singapore, the Democratic Socialist Republic of Sri Lanka, the Kingdom of Thailand, the Socialist Republic of Viet Nam.
2. The Government of Singapore is the depositary of this Agreement.
3. This Agreement shall enter into force 90 days after the date on which the tenth instrument of notification by a State listed in paragraph 1, indicating the completion of its domestic requirements, is submitted to the depositary. Subsequently it shall enter into force in respect of any other State listed in paragraph 1 above 30 days after its deposit of an instrument of notification to the depositary.
4. The depositary shall notify all the States listed in paragraph 1 of the entry into force of this Agreement pursuant to paragraph 3 of this Article.
5. After this Agreement has entered into force, it shall be open for accession by any State not listed in paragraph 1. Any State desiring to accede to this Agreement may so notify the depositary, which shall promptly circulate the receipt of such notification to all other Contracting Parties. In the absence of a written objection by a Contracting Party within 90 days of the receipt of such notification by the depositary, that State may deposit an instrument of accession with the depositary, and become a party to this Agreement 60 days after such deposit of instrument of accession.

Article 19

Amendment

1. Any Contracting party may propose an amendment to this Agreement, any time after the Agreement enters into force. Such amendment shall be adopted with the consent of all contracting parties.

2. Any amendment shall enter into force 90 days after the acceptance by all Contracting Parties. The instruments of acceptance shall be deposited with the depositary, which shall promptly notify all other Contracting Parties of the deposit of such instruments.

Article 20
Withdrawal

1. Any Contracting Party may withdraw from this Agreement at any time after the date of its entry into force.
2. The withdrawal shall be notified by an instrument of withdrawal to the depositary .
3. The withdrawal shall take effect 180 days after the receipt of the instrument of withdrawal by the depositary.
4. The depositary shall promptly notify all other Contracting Parties of any withdrawal.

Article 21
Authentic Text

This Agreement shall be authentic in the English language.

Article 22
Registration

This Agreement shall be registered by the depositary pursuant to Article 102 the Charter of the United Nations.

In Witness whereof, the undersigned, being duly authorized there to be their respective Governments, have signed this agreement.

For the Lao People's Democratic Republic:

Done Somvorachit
Ambassador Extraordinary and
Plenipotentiary

For Japan:

Ichiro Aisawa
Senior Vice-Minister
for Foreign Affairs

For the Republic of Singapore:

Raymond Lim
Acting Minister for Foreign Affairs

For the Kingdom of Cambodia:

Kem Mongkol
Ambassador Extraordinary and
Plenipotentiary

For the Kingdom of Thailand:
Dr. Kantathi Suphamongkhon
Minister of Foreign Affairs

For the Republic of the Philippines:
Belen F Anota
Ambassador Extraordinary and
Plenipotentiary

For Brunei Darussalam:
**Pengiran Dato Paduka Haji
Yusof bin Pengiran Kula**
High Commissioner

For the Union of Myanmar:
U Win Myint
Ambassador Extraordinary and
Plenipotentiary

For the Republic of Korea:
Park Joon-Woo
Ambassador Extraordinary
and Plenipotentiary

For the Republic of India:
Shri Alok Prasad
High Commissioner

For the Democratic Socialist Republic of Sri Lanka :
Shehan Ratnavala
High Commissioner

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093. Media Briefing by Official Spokesperson on the meeting of the SAARC Standing Committee.

New Delhi, April 17, 2006.

Last week,... Foreign Secretary had ... gone to Dhaka. This was for the Fifth Special Session of the Standing Committee. During the Thirteenth SAARC Summit in November 2005, it was felt that a comprehensive review and reform of all SAARC institutions and mechanisms including the Secretariat and the Regional Centres should be undertaken. The Fifth Special Session of the Standing Committee was held in Dhaka on April 11, 2006 to undertake a review of the SAARC processes in its entirety. The meeting also considered several other important issues including the modalities for admitting Afghanistan as the new member of SAARC; guidelines for Observers in SAARC; a Draft Vision Document that will be adopted at the Fourteenth SAARC Summit in New Delhi and the Terms of Reference for SAARC's Observer status at the United Nations.

The meeting took substantive decisions that would facilitate focussing SAARC's activities towards result-oriented and concrete actions, regional initiatives and projects. Some of the more important ones would be implemented during the Fourteenth SAARC Summit to be hosted by India in 2007. China and Japan will be invited as Observers to this Summit. The Standing Committee also considered the requests received from the Republic of Korea and the United States of America seeking Observer status with SAARC and recommended that the requests be approved. The modalities for Afghanistan's participation as the new SAARC member were finalised. Afghanistan would be invited to attend the 27th Session of the Council of Ministers and preceding meetings as a Special Invitee with a view to familiarise themselves with the SAARC process before the Fourteenth Summit, when they will sign a Joint Declaration formalising their entry into SAARC. The Meeting also discussed the draft Vision Document for the third decade of SAARC. This draft would be subject to further review by appropriate SAARC bodies before the Fourteenth Summit.

094. Media Briefing by Official Spokesperson on developments related to SAARC, specifically SAFTA.

New Delhi, July 7, 2006.

Official Spokesman: Good afternoon. Let me bring you up to date on some recent developments related to SAARC, specifically speaking the SAFTA.

To give you some background to begin with, a framework agreement on the South Asian Free Trade Area (SAFTA) was signed during the 3rd Summit in Islamabad in 2004. And upon successful resolution of outstanding issues, SAFTA has come into effect retrospectively from Jan 01, 2006 and is to be operationalized through a phased trade liberalization programme which covers all tariff lines except those kept in the sensitive or negative list by each member country. In Nov 2005, at the 13th SAARC Summit in Dhaka, the leaders of the SAARC countries had reaffirmed their commitment to accelerate cooperation in economic and commercial fields. They had stressed the importance of timely entering into force of the SAFTA agreement on the scheduled date and stated that launching of SAFTA would mark an important milestone on the road to a South Asian Economic Union. They had further directed that the negotiations and outstanding issues on SAFTA be completed on time to facilitate the operationalisation of the agreement.

We have now seen the notification issued by the Government of Pakistan. This notification is SRO No. 695(1)2006 dated July 01, 2006 regarding tariff concessions under SAFTA for SAARC member countries. The notification states that goods can be imported into Pakistan under the agreed SAFTA tariff concessions "subject to import policy order notified by the Ministry of Commerce". This last qualification refers to the import policy order of July 21, 2005 which limits SAFTA tariff concessions for India only to items on the existing bilateral positive list¹. We regard this action as against the very essence of SAFTA. SAFTA operates on the basis of agreed

1. Indian High Commissioner in Islamabad Shivshankar Menon addressing the Islamabad Chambers of Commerce and Industry on August 3 said that by refusing to implement the SAFTA with India, Islamabad had denied Pakistan access to the huge Indian market, jeopardized the agreement for the other countries in the group and raised questions about its credibility on good-faith negotiations. He said: "Pakistan has chosen to turn her back on the Indian opportunity at her doorsteps." Pakistan could have used the South Asian Free Trade Area agreement to access the Indian market and increased its exports

sensitive lists. SAFTA has little operational meaning if member countries do not honour their commitments in letter and in spirit. The credibility of the participating member country and SAFTA itself will be seriously questioned if attempts are made to introduce additional conditionalities that were neither discussed nor agreed to when SAFTA was being negotiated. Any efforts to subject SAFTA to such conditionalities would be a derogation of the agreement. It would also contradict the commitment made by the leaders at the 13th SAARC Summit. India has along argued that if South Asia has to become a dynamic component of the larger process of regional cooperation and globalization that is taking place in the world, it must first bring about economic integration amongst SAARC member countries otherwise SAARC runs the risk of being left far behind other regional organisations.

On our part, India is fully committed to honour its commitments and prepare to shoulder a major share of responsibility to promote intra-regional and other forms of economic and technical cooperation. Some more background on this will be made available to you.

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but it had instead chosen to limit the application of the treaty to a positive list of 773 items. "This is a negation of SAFTA, jeopardizes its implementation and affects all the contracting parties." Pakistan's refusal to provide an overland transit route for trade between India and Afghanistan and Central Asia was another example of a decision by Islamabad that made neither economic sense, "nor has it contributed to the resolution of any political differences between India and Pakistan over the last 60 years." It may be recalled that earlier in the year on February 16 the Pakistani Commerce Minister Humayun Akhtar Khan had said : "We will continue our bilateral trade through 773 items. Those products which are not included in the positive list would not be allowed to be imported under the SAFTA." On February 15 the Pakistan Cabinet ratified the SAFTA. Pakistan's position had been that unless a solution of the Kashmir problem was found trade beyond the 'positive list' was not possible. It may be noted that India has accorded the MFN status to Pakistan for trade with India, without Pakistan reciprocating it. Again commerce minister said that his country would not give MFN status to India until a move was made in tandem on other bilateral issues particularly Kashmir.

Finally on November 3 Pakistan added another 302 items to the list of commodities that can be imported from India taking the number to more than 1000, a move that could significantly increase trade between the two countries. The Pakistani Commerce Ministry on November 3 notified the additional items which included homeopathic medicines, machinery, machinery parts, surgical equipment and diesel locomotives.

095. Media briefing by Foreign Secretary on the conclusion of the first day of the SAARC Standing Committee Meeting in Dhaka, Bangladesh.

Dhaka, July 31, 2006.

Foreign Secretary: We have just concluded the first day of the SAARC Standing Committee Meeting. We have completed most of our discussions but there are still a few issues, which we hope can be resolved. I will now give you a sense of some of the issues which were raised by India today:

(i) **Operation of SAFTA:** As you are aware, A framework Agreement on South Asia Free Trade Area (SAFTA) was signed during the 12th Summit in Islamabad in 2004. Upon successful resolution of outstanding issues, SAFTA has come into effect retrospectively from January 1, 2006. SAFTA has been operationalised w.e.f. July 1, 2006 through a phased Trade Liberalisation Programme (TLP), which covers all tariff lines except those kept in the Sensitive (Negative) List by each member country.

Government of Pakistan has issued Notification (SRO No. 695(1)/2006) on July 1, 2006, regarding tariff concessions extended under SAFTA to SAARC countries. The Notification states that goods can be imported into Pakistan under agreed SAFTA Tariff Concession "subject to import policy order notified by the Ministry of Commerce". The last qualification refers to the import policy order of July 21, 2005 which limits SAFTA tariff concessions for India only on items on the existing bilateral Positive List. This is clearly a violation of Article 23 of the SAFTA Agreement which states very clearly and I quote "This Agreement shall not be signed with reservations, nor will reservations be admitted at the time of notification to the SAARC Secretariat of the completion of formalities".

This matter does not concern India alone, even though India has been singled out. This is not merely a technical or bilateral issue. It is a negation of SAFTA and jeopardizes the implementation of the Agreement. It affects all contracting parties and questions the future of the Agreement.

The objective of SAFTA is to promote free trade among member countries on a regional basis. The agreement operates on the basis of agreed "sensitive lists". Pakistan negotiated a regional agreement with member countries of SAARC for as long as 4 years, with complicated and difficult negotiations on the respective sensitive lists.

A lot of time and effort was invested in good faith while negotiating SAFTA. All that effort has now become infructuous, because Pakistan has no intention to honour an understanding solemnly agreed to by all member countries. The question being asked is: Why did SAARC member countries spend 4 years negotiating this Agreement and its annexes including the Sensitive List if earlier country specific import policy takes precedence over SAFTA commitments?

Pakistan's action contradicts the public pronouncements made by its leadership, who have publicly stated that once SAFTA is operationalised, it would constitute an MFN plus trading regime. It also contradicts the commitments made by the Leaders of the 13th SAARC Summit when they had reaffirmed their commitment to accelerate cooperation in economic and commercial fields. They had stressed the timely entry into force of the SAFTA Agreement, stating that launching of SAFTA would mark an important milestone on the road to a South Asia Economic Union.

This matter needs to be resolved with utmost urgency; otherwise SAFTA may well remain an Agreement only in words, with no way to implement it. This concerns all member states not just India. SAFTA should be implemented in the spirit in which it was negotiated with all parties living up to the commitment they have solemnly undertaken. This has a bearing on the success of the SAARC process itself, affecting all other aspects of cooperation among the Member countries.

Basically, this is what we have put forward during the Standing Committee meeting under the item of Economic Cooperation in SAARC, because we believe that economic cooperation under SAARC cannot be advanced unless this matter is resolved. After having raised this issue in the SAARC Standing Committee, of course we are also going to raise this matter in the SAARC Ministerial Council meeting because we believe this is a policy matter and a matter which requires urgent consideration by the SAARC Council of Ministers.

(ii) **Terrorism:** The other issue that we also discussed was one of terrorism, which is again of great importance to all the SAARC countries. We have stressed the importance of enabling legislation being passed by SAARC countries in order to give effect to the convention on counter terrorism which SAARC has already adopted. I also drew attention to the fact that the need for cooperation amongst all the SAARC countries on this major challenge that we face is something which has been brought home to us most recently by the terrible bomb blasts which have taken place

both in Mumbai and in Srinagar, causing loss of lives of innocent people. We continue to believe that there is no cause which justifies the murder of innocent people. We believe that South Asian countries must stand together and fight this scourge and whatever cooperation is required amongst us in order to get rid of this scourge must be taken urgently.

(iii) **SAARC related issues:** There are a number of other issues that have been also taken up by our delegation. You would recall that during the 13th SAARC Summit, our Prime Minister had proposed that we should organize a car rally as a run up to the 14th summit, which would be held in India in 2007 and we have worked out a Concept Paper for this rally. This Concept Paper has been circulated to all member countries of SAARC and I am happy to say that the Standing Committee has approved the holding of this car rally. We have also decided to set up an organizing committee of representatives of SAARC countries who will then get down to assess the logistic details and how this is to be financed and what kind of arrangements need to be made, particularly in terms of media and the security arrangements which may be required along the routes. India has agreed to host the first meeting of the organizing committee in order to take up the proposal.

We have also made reference to some other important proposals which have been made by India. This has been in the context of the 13th SAARC Summit, when our Prime Minister suggested that we should set up a South Asia University, a common campus where students from all the SAARC countries could live and study together, a SAARC University which would have faculties drawn from best minds from member countries of SAARC and an institution, which we hope will become a Centre of Excellence, not only for our region, but also for the entire world.

We also have another very important project. We have drawn attention to the fact that South Asian countries occupy what can be described as a common cultural space. There are very strong cultural affinities amongst countries of SAARC and these affinities can be leveraged to create a greater sense of identity amongst the SAARC countries and to celebrate what is really a shared cultural legacy amongst us.

One of the proposals has been for setting up of a SAARC Museum of Textiles and Handicrafts. These are two areas where all South Asian countries have a very rich tradition, have demonstrated rich diversity and we believe that it would be very worthwhile for us to set up this kind of a museum which would provide a venue for craftsmen, for artisans from all

these SAARC countries to demonstrate the diversity of their products. It would also enable them to interact with each other in a creative manner.

The third proposal is for setting up of a tele-media network, which could link together some of the very important Centres of Excellence in the medical/health field in our region. India is prepared to share our experience in this regard and also to contribute to the setting up of infrastructure, which is required for making this possible. Perhaps some of you may be aware that we are already involved in a very major and ambitious project for connecting all the African countries in a Pan African network which would use both satellite as well as fibre-optics network for tele education and tele-medicine. This is something which has been very much welcomed by the African countries. We are also working currently on a similar project with four ASEAN countries. So, we have considerable experience in this regard and we hope to offer this to all member countries in SAARC also.

You are aware that India has also been chosen to host the SAARC Disaster Management Centre and we have agreed to draw up modalities for the actual operation of this center. This is a center which is particularly relevant, after some of the natural disasters that our region has faced in the recent past like the tsunami and the earthquake which affected various parts of India and Pakistan. This is an institution which is of urgent necessity in our region. So, we are very proud of the fact that we would have the chance to host this center and also to make it a Centre of Excellence.

(iv) **Afghanistan:** I would also like to welcome the participation of representatives from Afghanistan led by their Deputy Minister. As you are aware, the decision has already been taken at the 13th SAARC summit to admit Afghanistan as a new member of SAARC, pending the formalities which are required to be gone through for them to attend as a full-fledged member at the 14th SAARC Summit. It was decided that they would be permitted to attend other meetings like Council of Ministers meeting, Standing Committee meeting as well as of some other meetings of SAARC as a guest which would enable them to familiarize themselves with the manner in which SAARC functions. We believe that with the entry of Afghanistan into SAARC, we have now completed the identity of SAARC in this region. We have agreed that an inter-governmental body would be set up to help finalise all the different modalities and issues which are involved in operationalising Afghanistan's membership at the 14th SAARC summit.

(v) **India's Chairmanship of SAARC:** As you know, it is India's turn to chair SAARC, after completion of the current chairmanship of

Bangladesh. We are very much looking forward to take up this challenging role. Bangladesh has done an excellent job in chairing SAARC. During Bangladesh's Chairmanship, a number of major initiatives have been undertaken and it would be our privilege to take these initiatives forward and to add further substance to the relationship.

One of the areas which we believe is of great importance is inter-connectivity amongst SAARC countries. Again, if I could recall the speech made by our Prime Minister at the 13th SAARC summit, he drew attention to the fact that South Asia is really a compact economic unit. It is also a shared cultural space, it has a long history of trade amongst the different regions in South Asia and until 1947, in fact all parts of the subcontinent were well connected with highways and railway networks. Many of these inter-connections amongst South Asian countries have been interrupted in the past 50 years or so. If we really wish to realize the vision of South Asia economic unity and if we are to realize the promise of SAFTA, then it is very important that the lack of connectivity amongst the South Asian countries be addressed on an urgent basis. Our Prime Minister had stated during the 13th SAARC Summit that, as the largest country in the region, India is ready to provide transit on a reciprocal basis to all our neighbouring countries.

The centre of global economic activity is shifting to Asia. If India and China can continue to grow at 8-10% per annum, for the next few years, we can become an engine house for the world. The starting point is to be connected within our region, before we can start connecting with other regions. We need to restore highways, railways and telecom links using modern technology, as well as shipping and air-links. India has made progress in air connectivity with many countries. For instance, India and Sri Lanka now have over 100 flights per week, which is a substantial increase from the last few years. India is ready to play its part in establishing such links. We welcome the establishment of the SAARC Development Fund and India has offered US\$ 100 million for Poverty Alleviation. The Fund can also be used for infrastructure development.

To conclude, India remains committed to the goal of a South Asian Economic Community and we hope to play a positive role during our Chairmanship.

096. Press Briefing by Foreign Secretary Shyam Saran on the 27th Session of SAARC Council of Ministers Meeting.

Dhaka, August 2, 2006.

Good evening to all of you. As you are aware, we have just concluded the 27th Session of the SAARC Council of Ministers and this meeting discussed some very important issues which have a long-term impact on the future of SAARC as a regional organization. The Council reviewed the progress of implementation of some major decisions which were taken at the 13th SAARC Summit, including some of the proposals which were made by Prime Minister Dr. Manmohan Singh at that Summit.

First of all, I would like to announce here that the dates for the 14th Summit which will be held in India have now been finalized. The Summit will be held in New Delhi on April 3 & 4, 2007. This will be preceded by the meetings of the Council of Ministers and, before that, the Standing Committee meeting and the Programming Committee meeting.

As a curtain raiser to the 14th SAARC Summit, the SAARC Car Rally which I had mentioned earlier in my press briefing, this has now been accepted by the SAARC Member countries. We have decided to set up an Organising Committee of representatives from all SAARC Member countries and India has offered to host the first meeting of this Organizing Committee. This will go into the details concerning the rally, viz. the route which would be taken, the financing of the rally, the arrangements for the media for the rally. The idea is that it should cover all our SAARC member countries.

Another important decision from our point of view is that the modalities for the SAARC Disaster Management Centre which is to be located in India, have been approved and the Centre will now hold the first Governing Board meeting and, thereafter, it will be formally established.

Then, if you recall there were three important proposals made by India at the 13th SAARC Summit - (i) setting up of a SAARC Museum for Textiles and Handicrafts, (ii) proposal for establishing a Telemedicine Network linking all the SAARC member countries, (iii) setting up of a South Asia University to which we attach great importance. We are very happy to report that the Council of Ministers which met today endorsed these proposals and welcomed India's initiative in this regard. We have agreed that the details concerning these projects will now be taken up at the next meeting of the Programming Committee. The concept papers have already

been circulated to all the member countries. Some comments were made on these proposals by the Ministers today. For example, it was agreed that the idea of a South Asia University is a particularly good one and that we should make it into a Centre of Excellence for our region. It would be an institution which would bring together not only young people from all over the region, but it would also enable some of the brightest minds of South Asia in academics in various fields, whether it is Information Technology or Bio Technology, or some of the science subjects, humanities to come together. This would be a very good venue for the brightest minds of South Asia to interact with one another. So, this was something which was uniformly welcomed by all the Ministers who were present today and we are very much looking forward to taking this idea forward.

I would also like to mention here with regard to South Asia University that you are perhaps aware that Mr. Gohar Rizvi, who is an academic and well known scholar in Bangladesh, has been requested by India to prepare a concept paper for the South Asia University. It is based on his inputs that we have put together the first preliminary paper which has been circulated to all SAARC member countries. In the light of the comments which have been made, our Consultant Mr. Rizvi will take this particular concept paper into some greater detail.

The Council also approved the Report of the First Finance Ministers meeting and again, as I had indicated earlier, the very important decision of the SAARC Finance Ministers was to agree upon the modalities for the SAARC Development Fund. As you know, at the 13TH SAARC summit it was decided that all the different financing mechanisms which are there under SAARC should be integrated together into a common SAARC Development Fund. So this Fund has now been set up and has been approved by the Council of Ministers. As you are aware, India had already announced contribution of US \$ 100 million, especially towards projects involving poverty alleviation projects. Now what would happen is that under the social window of the SAARC Development Fund, this money will be available for utilization. We feel that along with SAFTA, which has become operational, the SAARC Development Fund becomes the second pillar of economic cooperation among the SAARC countries. This is something which we welcome very much and we hope that we can move into a phase of more projects being implemented.

One of the things that we are always concerned about is that in the 20 years of existence of SAARC, while we have come up with very

interesting ideas and had many sessions with various kinds of initiatives and consultations on different issues, these have not really been translated into even one single collaborative project. This is the great shortcoming of SAARC that we have not moved away so far from a declaratory phase into an implementation phase. It would be correct to say that SAFTA can be described as the first project for collaboration amongst the SAARC countries. The establishment of SDF now creates another platform which will make possible for SAARC countries to really get down into implementing collaborative works. I have mentioned to you the great importance we attach to connectivity amongst the SAARC countries and some of the projects for connectivity include certain corridors, highway corridors or railway corridors or the upgrading of some of our ports or airports. These are some of the projects which would be very conveniently covered under the SAARC Development Fund.

I had also mentioned that during the Council of Ministers Meeting, there was a formal welcome to Afghanistan as our new Member. We are very happy that they were able to attend the Council of Ministers Meeting as a guest. It was decided that an intergovernmental group will be set up to go over and finalize all the various formalities for the formal inclusion of Afghanistan as a Member at the 14th Summit. The Draft Declaration which will have to be signed by Afghanistan committing itself to the SAARC Charter as well as various other Instruments of SAARC, has also been finalized. At the 13th Summit, we had agreed to requests from China and Japan that we would accept them as Observers. Then, later on when we had the meeting of the Standing Committee, we had received requests from the Republic of Korea and from United States of America. The Standing Committee had agreed that we would approve the requests of these two countries to become the Observers to SAARC. Now, just before the meeting of this Council of Ministers, there has been an additional request from the European Union. During the meeting of the Council of Ministers, it was unanimously agreed that this request be approved. It was also agreed that the Observers would be invited to be present at the next Summit, i.e 14th SAARC Summit, which would be held in India.

This is another important decision. I had also mentioned that we would be raising at the Council of Ministers Meeting the issue of SAFTA, the coming into force of SAFTA. We did raise this matter and several delegations who were present in the meeting also drew attention to the fact that nothing should be done which would adversely impact on the operationalisation of SAFTA and that this matter should be resolved as

soon as possible. I think it was clear from the statements which were made by other Ministers that they did consider this to be a matter which involved all the SAARC Member States and that this was not something which was merely a bilateral matter or technical issue between India and Pakistan. Now, as a result of our discussions, the Council of Ministers decided to request the SAFTA Ministerial Council to convene and to discuss this and resolve this issue and that the results of their deliberation should be made available to the Council of Ministers at its next meeting. We are very hopeful and optimistic that this matter will be taken up without further delay by the SAFTA Ministerial Council and that when we have the 14th SAARC Summit in Delhi, that this matter has been put behind us. That is our hope.

India is satisfied with the results of the Council of Ministers Meeting. Several of the issues which were of importance to India were discussed in considerable detail and we are also very happy that the report of the Standing Committee, particularly the sections relating, for example, relating to terrorism were specifically drawn attention to by delegations as something which is very important for the future of SAARC. It was agreed that the commitment to eradicating the scourge of terrorism from our region, the need for us all to follow up on our commitments to the various conventions which have been signed on Terrorism as well as on Narcotics Trafficking and that it was critical that all States should implement the provisions of these Instruments and whatever enabling legislation needs to be passed in our respective countries in order to give effect to these conventions. So, this has been a very successful and substantive Council of Ministers Meeting. We have expressed our very deep appreciation to Bangladesh Foreign Minister Morshed Khan for the very efficient and business-like manner in which he conducted the proceedings of the Council of Ministers and enabled us to come to a very successful conclusion. All the delegations were delighted that we have had the opportunity to visit the beautiful city of Dhaka again and to enjoy the warm hospitality of our friendly host.

So I will stop here and if there are any questions I would be of course very happy to answer.

Question (Badiul Hassan, *News Today*) : Regarding SAFTA, an issue has developed since the liberalisation process of India has been nullified by maintenance of tariff and non-tariff barriers. This is not only the complaint of Pakistan, but it is the complaint of Bangladesh also. The Standing Committee and Council of Ministers were to discuss this issue.

Answer: I would first of all like to request you to please focus attention

on what has been agreed upon in SAFTA. Nobody has been compelled to agree to anything which is there in SAFTA. This is something which has been agreed upon by all the Member States collectively. If there were issues relating to para-tariffs or if there are issues relating to non-tariff barriers, all these have been taken into account during the negotiations of SAFTA . This is not to say that we cannot improve our trade relations. I think as far as Bangladesh is concerned, perhaps, the chief beneficiary of SAFTA is Bangladesh, because India has free trade agreements with Nepal and Sri Lanka and it has a customs union with Bhutan. So the major beneficiary particularly in the least developed category is Bangladesh. The chief beneficiary in terms of the instrument of revenue loss compensation is Bangladesh and India is the country which in fact champions the cause of Bangladesh during the SAFTA negotiations. It was India which led all Member States to agree to a higher form of compensation.

With regard to many of the concessions which have been given to Bangladesh, these are all non-reciprocal in nature. Again, I would like to make the point that this is not to say that we cannot improve the trade relations, particularly the negotiations that we are already having with Bangladesh. With regard to non-tariff barriers, many of these elements will be taken into account. There is an Early Harvest already in place with the export of cement and ceramics from Bangladesh. So I don't think it is fair to really point fingers at India and say that India has not been doing enough with respect to these kind of barriers. All of us maintain certain barriers. This is the reason why there are sensitive lists in SAFTA. The sensitive lists have been negotiated amongst the Member Countries. Our sensitive list is the shortest and it should be because we are the largest country in the region. But I think once we have decided that we will operate this Free Trade Agreement in the region on the basis of sensitive list and not on the basis of so called 'positive list', then it stands to reason that if one country is imposing the same mechanism of positive list, this is a negation of SAFTA. So I don't think there is any reason to put the complaint that India has made on the same level as complaints from Pakistan or from Bangladesh with regard to so called non-tariff barriers or para tariff barriers.

Question: My question is about SDF - how this financing process would be implemented and whether only the contribution of India of \$ 100 million will be considered or other partners would also contribute?

Answer: Well, I was referring to the US\$ 100 million contribution made by India but when it was decided to set up the SDF, I think the fund

will start of with a contribution from all Member Countries totaling up to US\$ 300 million. Further contributions will be on the basis of the assessed contribution of Member Countries. But the additional element is that the Board which will be governing the SDF would also have the possibility of raising funds from the international market or from the international financial agencies for any specific infrastructure projects that they may decide upon. Since this would be in fact something which would be done on the basis of all the Member Countries of SAARC, it would enable us to leverage our strength in terms of raising more finance for these types of projects. So, actually this can be a very useful mechanism for financing some very important infrastructure projects.

Question (Farooq, *Pakistan Times*): Sir, you have issued a press noting in press conference which is Pakistan specific and saying that Pakistan is denying implementation of SAFTA. Then Pakistan took a stand to take the issue to expert's level and finally issued a statement. Whose stand do you think has been vindicated?

Answer: I would hesitate to term it as a win or loss kind of situation. As I said, it is not India or Pakistan. What we are concerned about is that a certain step taken by Pakistan may jeopardize the future of SAFTA itself. And therefore it is not a matter of whether has India won out or if Pakistan has won out. The issue is whether or not the SAARC Ministerial Council has considered this matter and seen it fit to accept that this is something which will impact on the agreement itself and therefore must be dealt with expeditiously. The fact that the Ministerial Council did spend time discussing this matter and where there were interventions made not only by India and Pakistan, but by other delegations also who were present. The sense of the Council of Ministers was that irrespective of whatever points may have been raised, there is no doubt that if this matter is not resolved satisfactorily, it is something which will impact on SAFTA as an agreement among the SAARC countries.

So it is a matter that whether we like it or not, it does impact on the future of SAFTA and it does impact on the future of the SAARC process. So from that point of view, all the delegations, including the delegation of Pakistan, have welcomed that this matter will be now considered by the SAFTA Ministerial Council and also that the results of the meeting of the Ministerial Council on this particular issue will be available to the Council of Ministers at its next meeting. So, it is a recognition of the fact that this is an important policy issue and that it cannot be delegated to a simple

technical procedure under SAFTA. So, we think that our view that this is an important policy issue that it impacts on all SAARC Member Countries has been accepted. We believe that this has been considered and recognized by the Council of Ministers Meeting.

Question: When will be meeting of experts take place?

Answer: Well, now that a decision has been taken by Council of Ministers that this matter should be taken up by SAFTA Ministerial Council, what we intend to do is now on the basis of this decision we will be suggesting some dates to the Member Countries for an early meeting of the SAFTA Ministerial Council.

Question: Will SAARC again turn into a battlefield between India and Pakistan due to SAFTA?

Answer: Well, I don't think that from the point of view of India, there was any reason to convert the SAARC meetings or SAARC into a feat for India-Pakistan competition because we don't think that this is India- Pakistan competition. I think both India and Pakistan recognize that we have a shared destiny, that the future of SAARC as a forum for regional economic cooperation can only go ahead if there is cooperation amongst all the countries of the region, not merely between India and Pakistan. So, right from the beginning, our effort was to precisely project that this is not a matter between India and Pakistan, but this is a matter which concerns all the SAARC Member Countries and that is the spirit in which this matter was discussed during the Council of Ministers meeting.

Question(Amitabh Reki, NDTV): Sir, moving to bilateral relations between India and Pakistan, the talks between Foreign Secretaries were postponed. Pakistan has said that the ball is in India's court and that it is up to India to propose the dates for next meeting?

Answer: Well, we can go into a long argument about the ball being in who's court! We can keep throwing the ball back and forth between the two sides! What is important is that we had an opportunity for the two Foreign Secretaries to discuss the issue with certain degree of candour and frankness the concerns that we have and I have mentioned to you what our concerns are. We have also stated quite openly that we expect that on the issue of terrorism, we should be able to see some evidence of Pakistan fulfilling the very solemn commitments that have been made at the highest level. Concerning terrorists, we have agreed that we will remain

in touch and there is also a common understanding that the peace process between the two countries is very important and that we should try and take this process forward. This is what the leadership of the two countries wish, this is what the people of Pakistan and people of India wish. So, it will be our endeavour to make certain through whatever appropriate actions which are required that this peace process does not get affected and it is in this context that the two Foreign Secretaries have agreed to remain in touch.

Question (Amitabh Reki, NDTV): We say we want evidence of Pakistan acting against terrorism, while they say they want evidence of linkages with terrorism. What is your reaction to it?

Answer: Well, I don't think I would describe the situation as stalemate as there is ongoing dialogue between our two countries. With regard to evidence, well, our view has again been expressed rather clearly that we have provided considerable amount of evidence in the past, most recently during the Home Secretary level talks. I have pointed out myself to the fact that we have, for example, the leader of the Jamaat-u-Dawa which is a reincarnation of the Lashker-e-Toiba, as everybody knows. We have seen him going around freely and JuD continues to profess that it will carry on Jihad with regard to India. We also have the Hizbul Mujahideen chief who moves around quite freely within Pakistan. Certainly, no efforts seem to have been made to apprehend him. So there are certain actions which could be taken very easily in order to convince the people of India that when Pakistan says that it is very serious about curbing terrorism, that it is going to take some action in order to do that. That is our position.

Question: Why is India hindering the access of Bangladesh products to Nepal via Banglabandha Landport?

Answer: Well, I am not quite certain why you say that there is a hindrance, there is a very open corridor and the question is whether or not there is enough traffic. If you are going to have, may be 4 or 5 trucks which are going to cross over everyday, then it is unreasonable to expect that India should have a full scale 24 hour customs post or immigration post at that point for those 4-5 trucks. So what usually happens is that there is usually a build-up of may be 20 trucks or 25 trucks at the border when the immigration and customs officials are called in, in order to clear the traffic. Once the volume of traffic increases, the infrastructure can certainly be improved, through mutual agreement.

097. Talk by Foreign Secretary Shyam Saran at the Indian Council of World Affairs: “Does India have a Neighbourhood Policy?”

New Delhi, September 9, 2006.

1. I had spoken on India’s policy towards neighbours in February 2005 at the India International Centre. Most of the points I had made then remain valid.
2. Our effort has been to construct an overarching vision for South Asia, so that we do not deal with neighbours in an ad-hoc and reactive manner, but formulate policies that fit into and promote this larger vision.
3. A vision of South Asia as an integrated and single entity is not new. Former Prime Minister Vajpayee had spoken about our aim to establish a South Asian Economic Union on the basis of a South Asian Free Trade Area (SAFTA). At the Dhaka Summit in November, 2005, Prime Minister Dr. Manmohan Singh elaborated further on this vision. He said that although South Asia is divided by political boundaries, the region forms a single geographical and economic unit. It occupies a shared cultural space and a shared cultural legacy. He said that we could not erase political boundaries or redraw them, we could certainly work together to make them progressively irrelevant. There should be a free flow of goods, peoples and idea across our borders in the same manner as in the European Union today. Over a period of time, the sense of division among our people would be erased.
4. For this vision to be realized, Prime Minister emphasized the overriding importance of connectivity among countries of South Asia. We must restore cross-border transport linkages through highways, railways, air and sea links as well as electronic communications. We are today not even as connected as we were in the sub-continent before 1947. The vision of an integrated South Asia cannot be realized without such connectivity.
5. India must start looking at national boundaries not as impenetrable walls which somehow protect us from the outside world, but as “connectors”, bringing India closer to its neighbours. This needs a mindset change.

6. Another mindset change, linked to the one mentioned above is to stop looking at our border areas as being on the periphery or serving as “buffer zones” preventing ingress into the heartland. We must rid ourselves of this “outpost” mentality and begin to accept our border states and regions as being as much a part of national territory as the heartland. The idea that such areas must be left largely underdeveloped and remote, as is reflected in the whole outdated system of “inner line permits”, must be jettisoned.
7. If borders are “connectors”, then border regions become extremely important as the points of mutual interaction with neighbours. They become the bridges linking countries and could be leveraged for development of border regions and their economic well-being. A new vision of South Asia demands a new mindset.
8. It is in this context that PM’s address to the Dhaka Summit elaborated a different kind of approach to our neighbourhood. When PM said, in relation to Pakistan, “I do not have the mandate to change borders; but I do have the mandate to make these borders irrelevant over a period of time,” he was enunciating a principle applicable to all our neighbours. Further, in order to implement this you must have as good an infrastructure as possible to enable easy cross-border movement. We may set up a SAFTA, but unless we have what I would call “transmission belts” across borders to permit the uninterrupted flow of goods, peoples and ideas, SAFTA would yield little practical benefit.
9. Over the past two years, a major effort has been made to try and bring about a high level of connectivity among South Asian countries. These are a significant component of our neighbourhood policy.
10. Another significant part of this policy is based on the recognition of the crucial role of culture and of people-to-people contact. Culture can be a very powerful part of diplomacy. There are very strong cultural affinities among the people of the sub-continent and by giving full play to these affinities we can reinforce the sense of togetherness, a sense of shared identity. We have a plan to set up cultural centres in each and every one of our neighbouring countries. The new Embassy projects in Kathmandu and Dhaka have incorporated such centres. We are also not insisting on mechanical reciprocity in promoting cultural exchanges, but adopting a liberal and proactive policy of funding exchange of visits of scholars, academics, contacts and others.

11. Politically, our neighbourhood policy is now based on the recognition that what can best secure India's interests in the region would be building a web of "dense interdependencies" with our neighbours. We must give our neighbours a stake in our own economic prosperity. This would impart a certain stability in our relations. We want a neighbourhood policy which is capable of adjusting, capable of shaping events. There will be moments in history when it may be difficult for us to influence events in our neighbourhood. We should assess when a neighbour is in the midst of a transformational process and take steps to make ourselves relevant to that change. There will be other moments in history where we could play a more definitive and active role to orient change in a constructive direction. Making the right judgement and adopting the policies appropriate to the nature of change, is the challenge to our diplomacy.
12. For example, there is momentous change taking place in Nepal. We do not quite know how this change will culminate but, in retrospect, by aligning ourselves with democratic forces in Nepal, by supporting the transformation in progress, we have done rather well.
13. A very major transformation is taking place in another very close neighbour – Bhutan. His Majesty, the King, has decided to introduce over the next couple of years, what would essentially be a constitutional monarchy. Here, as in some other countries, we will soon be dealing with much more diffused political structures rather than one single powerful leader, or an established elite. We must keep ahead of these changes rather than always playing "catch up". We must identify and begin to deal with emerging leaders and institutions.
14. The same is true of Pakistan. We are dealing with President Musharraf because he happens to be the current leader of Pakistan. But Pakistan is also undergoing a transformation. We need to reach out beyond the Government, to the people in Pakistan, to other political forces that are emerging on the horizon. The policy of promoting people-to-people contacts assumes significance in this regard.
15. We can claim credit that our policy has been quite successful. Within just two years, traffic across our border with Pakistan has reached over 200,000, which is an incredible volume given the history of India-Pakistan relations. The train service between Khokrapar and

Munnabao, connecting Sind and Rajasthan, was carrying 700 passengers every week. Now it is 400 because Pakistan has restricted the number of passenger bogies.

16. We have a sense today that change is coming about in India-Pakistan relations because it is more and more people-driven and we need to reinforce that. There can be no barriers from our side. Our motto should be that we are prepared to go as far as the comfort level of our neighbours would allow us to go.
17. I will now give you a sense of what we have been able to achieve in terms of promoting connectivity in our region:

Pakistan : Two years ago, we inaugurated the Srinagar-Muzaffarabad bus service across the LOC. We have followed through in this landmark event, by inaugurating, recently, the Poonch-Rawalkot bus service. We have proposed a further bus service between Kargil and Skardu and Jammu and Sialkot. But Pakistan has not yet agreed. With Punjab, we have the Amritsar-Lahore bus service, the Amritsar-Nankana Sahib bus service and another is proposed to Kartarpur Sahib.

We have a major plan for the upgradation of border checkpoints and their backward linkages. Thus an Integrated Checkpoint (ICP) is planned at Wagah, which will house customs, immigration and warehousing, health facilities, shopping complex and parking. The road leading from Amritsar to Wagah is also going to be upgraded into a 4-lane highway.

Nepal : A number of Integrated Checkpoints are being planned on the India-Nepal border, as well upgradation of highways and extension of train links into Nepal. We have plans to develop Integrated Checkposts at (i) Jogbani (Bihar) – Biratnagar; (ii) Raxaul (Bihar) – Birgunj; (iii) Sunauli (U.P.) – Bhairawa; and (iv) Nepalganj Road (U.P.)– Nepalganj. The road linkages to these checkposts from the Indian side will also be upgraded. The Government is also working on development of a 'Garland Road' along the border for better patrolling, surveillance and border management.

As regards rail links, we are setting up new links or upgrading existing links between important border towns of India and Nepal. These include (i) Katihar-Jogbani (Bihar) - Biratnagar, (ii) Gonda (U.P.) - Nepalganj, (iii) Nautanwa (U.P.) - Bhairawa, (iv) New Jalpaiguri (W.B.) -Kakarbhitta, and (v) Jaynagar (Bihar) - Bardibas.

In addition, we are working to develop link roads to East-West

highway in the Terai region of Nepal; as well as to implement pipeline between IOC and Nepal Oil Corporation for channelling of oil supplies between Raxaul (Bihar) and Amlekhgunj.

Bhutan: While we have invested in development of road infrastructure in Bhutan, there has not been commensurate investment on our side of the border. We are, therefore, planning to upgrade several approach roads to Bhutan including (i) Rangia-Tamalpur (Assam) -Jhonkar, (ii) Pathsala (Assam) - Nangalam, (iii) Santabari (Assam)-Gelephu, and (iv) Baribesa (W.B.) - Kalikhola. In addition, we are working on establishing rail links between border towns in India and Bhutan, including between (i) Hasimara (W.B.) - Phuentsholing, (ii) Darranga (Assam) - Samdrup Jhonkar, (iii) Kokrajhar (Assam) -Gelephu, (iv) Banarhat (W.B.) - Samte, and (v) Pathsala (Assam)- Nangalam. There are also proposals to establish Integrated Checkposts at Jaigaon (W.B.) and a dry port at Phuentsholing.

Bangladesh: We share a long land border of more than 400km, yet there are at present only few operational road links between the two countries. These include Kolkata-Petrapole and Siliguri-Phulbari road link in West Bengal; Agartala-Akhaura road link in Tripura and Shillong-Sylhet road link in Meghalaya. Of these the most important road link is Kolkata-Petrapole highway, which carries more than 80% of the trade. The infrastructural facilities on our side of the highway, however, are woefully inadequate, both at the checkpoint and the highway leading to it. This only hampers development of trade and economic linkages. We have therefore decided to expedite upgradation of Kolkata-Petrapole highway including by building bypass and over-bridges. In addition, there is also a proposal to establish Integrated Checkposts at Hilli (West Bengal), Chandrabandha (West Bengal), Akhaura (Tripura), Dawki (Meghalaya), Sutarkhandi (Meghalaya) and Kawarpuchia (Mizoram). We are also at the same time working to complete the border fencing and construction of border roads for effective border management.

Myanmar: Similarly, with Myanmar, we are developing a network of linkages. These include cross-border developmental projects, such as (i) Upgradation of Tamu (Manipur) - Kalewa-Kalemyo, Rhi-Tiddim and Rhi-Falam roads (Mizoram sector); (ii) Upgradation of Jiribam (Manipur) – Imphal - Moreh road and integration with proposed Trilateral Highway; (iii) The Kaladan Multi Modal Transport Project, linking Mizoram with Arakan province of Myanmar and providing an alternative access to our North-East through the historic port of Sittwe (Akyab) bypassing Bangladesh. It

incorporates a highway, river transport and a gas pipeline; and (iv) Jiribam-Imphal rail link, which may be extended to Mandalay as part of Delhi-Hanoi rail link.

China : The border trade point at Nathu La in Sikkim has just been inaugurated and the backward linkages on the Indian side are being upgraded. Here too, we intend to set up an Integrated Checkpoint. We have suggested another border trade point at Bumla in the eastern sector for which a response is awaited. We have approached Nepal for transit to Tibet. In general, there are plans to upgrade the entire road network in the North East including two inter-basin roads in Arunachal, 7 roads leading up to the LAC and reviewing the Inner Line Permit system so that tourism could be promoted.

Question & Answer Session (Edited)

Speaker (Shri Dalip Mehta): In the spirit of what you have said, there are two treaties that presently exist, the 1950 treaty with Nepal and 1949 treaty with Bhutan. Their clauses are really quite irrelevant; they are obsolete, and anachronistic. Given the kind of spirit that you have spoken of with respect to our neighbours, don't you think we should take the initiative in either revising them, amending them or even thinking about signing new treaties with them, taking into consideration present day realities.

FS: Well, I would say that whether it is the 1950 treaty with Nepal or the 1949 treaty with Bhutan, they served a very good purpose during a certain phase in our relationship. I mean, they provided a tremendous amount of support to these countries during a period when they were quite vulnerable. So, I don't think we should rubbish the role played by these treaties. But, India has been quite open to a possible revision of these treaties, or, a possible updating of these treaties, into something which is more in keeping with the current state of our relations, and in line with how we see our relations developing in the future. I do not think that this is a barrier.

Let me draw your attention to the fact that in the year 2000, the Prime Minister of Nepal, Mr. G. P. Koirala, did raise this issue with India about the possible revision of the 1950 treaty and we responded very positively to that and said we would be more than ready to look at the treaty afresh. It was even decided - in 2002 if I am not mistaken - that the Foreign Secretaries of the two countries will sit down together and begin the process of review. One round of talks was held to initiate the process

but since then there has been a lot of turmoil in Nepal. We have not followed up on that. I do not think from the Indian side there is any problem in looking at revision.

With regard to Bhutan, yes, there are elements in the 1949 treaty, which are obviously out of date, precisely because of the kind of changes that you referred to, the constitutional changes which are taking place in Bhutan and if there is the need to revise the treaty or look at a more appropriate kind of a treaty text in the contemporary situation, we would have no difficulty with that. In fact, I may mention that this revision of the Bhutan treaty also has been raised in the past. It is not a new issue, it has been raised in the past, and I can only say that there is openness about this in India. There is no problem.

Speaker: You just said that we have to leave certain things in the neighbouring countries to themselves but here we are suffering because of our own thinking, is that so?

FS: Especially when you're dealing with your neighbours you have to accept the situation as a given. You need to take into account the domestic dimensions of your relationship with any of the neighbouring countries. For example, when you are dealing with Sri Lanka, there is no doubt that you have to take into account the Tamil Nadu dimension of your relationship with Sri Lanka. Now you cannot always be very successful in balancing these interests, because there are sometimes forces which are beyond purely foreign policy control. What you can try and do is that you have a policy, which is very broad-based. You have a policy, which puts in place a multiple series of interests which are binding the countries together. So, even if there are political changes, there is a certain stability which is given to the relationship, because there are those kind of very strong interdependencies, whether they are on the economic side, whether it is in terms of the sharing of river waters, whether it is in terms of our energy interdependence.

Take for example Bhutan. You have developed a very strong energy relationship with that country and, in the near future, you have some other major projects which are coming up like Tala, for example. It would mean that on Indian side this will be a huge contribution to the energy sector, but it will also present a major and significant contribution to the welfare and to the wealth of Bhutan. So, even if there are political changes which may be taking place in that country, which, of course, you should always be

responsive to, the fact is that the stand of interdependence is to provide a certain stability to the relationship despite political changes, because the logic of the interdependence will not permit the political relationship to swing from one side to another.

So, in the long-term that is the kind of relationship we should look at, and, certainly with regard to neighbours, it cannot just be a relationship between governments. There are strong cultural linkages as I mentioned, there are strong people-to-people linkages. I just gave you one example of what happens on the India Nepal border. Now, partly our shortcoming has been that in our state-to-state relations with our neighbouring countries we have not also leveraged much of these assets that we have available to us.

So, I am not saying that we have been extremely successful with the policies but what I am trying to give you is a sense that, number one, we must know the limits of how far we can go. It is not like sending in the marines and taking care of a situation arising in our neighbourhood. We can not do that. There are certain very, very real constraints; as I said, there are moments in history when it is better to step aside and let whatever transformation that is taking place, take place, and not try to interfere with it nor try to interpose yourself in that transformation that is taking place. These require considered judgments. Sometimes you make good judgments; sometimes maybe you make the wrong judgments. But, I think, generally speaking, over the last few years we have not done too badly in managing our relationships, particularly in terms of making the kind of changes we need to do on our side.

As I said, you need to have a change in the manner in which you look at your neighbourhood. If you all the time consider yourself to be under siege from your neighbours, and you develop that kind of a defensive mentality, then you can not follow a successful neighbourhood policy. So you have to get away from that sense. You can not build walls between yourself and your neighbours. But if you have the framework of this vision of South Asia, as I have mentioned, and we recreate a subcontinent where there is a free flow of goods, of people, of ideas, and of trade, it is going to be a win-win situation for all the countries. We very sincerely believe that.

Now it is a question of how to translate that vision into practice. That is why I gave you a sense, modest maybe of an effort to try and bring about that connectivity on the ground. Merely having a vision is not good enough; you must be able to translate it on the ground, and I would submit

that one of the great successes that we have had in the past two years is to get a sense in the government that they must really pay a lot more attention to connectivity, change our mind sets with regard to our periphery, and really get down to business. I want to give you a sense that we have got down to business in that respect.

Speaker: The rail, road connections with most of our neighbours.... It has taken us more than 50 years to think about these. It is a very good step. Now it is materialising and it is taking shape, but over the last 50 years most of our neighbours have built up linkages with outside powers who have been using these linkages to create problems, and I think it is the right step, the connectivity which you have talked about, but the other issue which you mentioned was sharing with our neighbours, since most of them are poorer than we are, but the issue is sharing of technology, whether it is in small-scale industry we are providing them, generating employment etc., and it is good to hear that we have succeeded in getting gas from Myanmar. My question is, we have not been successful with Bangladesh in getting gas, maybe due to political problems and other issues. Is the MEA thinking in terms of special economic zones on the border regions, either in the northeast or in West Bengal? We have built up successfully in Oman; now we're going to Egypt and other countries. The demand for fertilisers is growing and especially the air lifting of these in north-east. Is the ministry considering special economic zones where these factories are located, or other factories which could generate employment also and prevent other issues. The other point I have is, sometime back we had built up a road link with Afghanistan. Is there any new initiative to revive that to our interest, which I don't have to underline.

FS: Bangladesh gas, well I know. Whether we have access to Bangladesh gas is dependent upon Bangladesh's willingness to supply that gas. We can not force Bangladesh to supply gas. We offered various alternatives - one was that we build a gas pipeline from Myanmar through Bangladesh into India, which would provide some transit income to Bangladesh, it would provide a infrastructure which could be utilised for Bangladesh also to put its gas into the pipeline, if it so wished, in the future. But Bangladesh eventually did not agree to that and linked that up with several other conditions which were obviously not possible for us to agree to. Therefore, even though the direct pipeline between Myanmar and India will be somewhat more expensive, we think that it is a better alternative since our need for gas and energy resources are huge, so we believe that this investment is worth making.

Again, I come back to the point that barriers are not from our side. We have told our neighbours, we are prepared to go as far as you are prepared to go, what your comfort levels are, because we are a very large country, we have large resources, our room for maneuvers is more, so, really, it is a question of how much comfort level our neighbours have, and, hopefully, as our linkages with our neighbourhood increase, the sense of shared prosperity, or the sense of having opportunities in India rather than looking at India as a threat or dominating power would begin to take hold. So, I think we have to continue soldiering on, and try and see whether we can over time change this kind of thinking in our neighbourhood.

The other aspect which you have mentioned about whether we can set up some special economic zones, or whether we can set up some industries, well, that was the logic of the very attractive investment proposal which was made by Tatas to Bangladesh. Three linked projects which would have been, I think, \$2.5 billion and would have meant a huge change in the economic prospects of Bangladesh and would have used some of the gas available in Bangladesh itself, and that project alone by the exports to India would have actually completely wiped out the trade deficit which Bangladesh keeps complaining about. Now whether or not there is a willingness to accept such a thing is not in our hands; it is in the hands of Bangladesh. To say that because Bangladesh has not accepted, this means a failure of Indian foreign policy, I do not think that is very fair.

With regard to the resources, yes, we, again in terms of our energy requirements, have already drawn attention to what we have been able to do with Bhutan, we would certainly like to do with Nepal as well, because Nepal has a very large potential for hydropower. I think current estimates are above 87,000 MW and, by the way, if these were developed in Nepal, they would be more economical in terms of India's needs, because they are far closer to our main consuming sectors, so the transmission lines would not be as long as they are with Bhutan. What we are trying to do with Nepal is to really try and take this out of the political domain, and put it in the economic domain, and to say that let us look at these projects from their economic viability, if you can come up with a project, no matter who finances it, you have the power purchase agreement with the Power Trading Corporation of India or other consumers in India. You develop your resources, you sell your power to India, as long as it is economical for us, we will buy it. So try and take the political edge out of these discussions and, I think that in the longer term, that is probably what will work. We are headed in that direction.

Speaker: You have just talked about the India's vision actually. Do you think that this vision is being shared by our neighbourhood because I feel that there is a trust deficit among the countries of the region and you will find that the trust deficit between India and China has come down, Bhutan has been another addition but as far as the other countries are concerned, this deficit remains. In spite of the connectivity, what you have said just now, what do you think, because you have been meeting the people - whether this vision is shared by the neighbourhood and whether we can bring down this trust deficit which has been there for a long time? Secondly, whether the projects which you have mentioned just now, will there be a bilateral funding or it is going to be a some kind of an international funding of sorts?

FS: Most of the projects that I have mentioned to you just now, these are all being funded by India There is a willingness to make the kind of investment which is required in order to make these projects a reality.

Is the vision of South Asia shared by others? Well, it was Bangladesh which came up with a vision of SAARC to begin with, not India. So I presume they are committed to the vision of South Asia as a very vibrant, as a very co-operative entity. We are certainly taking the matter seriously and we are certainly prepared to work on that basis, but I do not think we should go too much into this aspect of, you know, is there a trust deficit or is there not a trust deficit, is India being loved by its neighbours, or is it being hated by its neighbours. At the end of the day what will count is self-interest. If this vision of a interconnected South Asia is something which brings benefits to all our neighbours, then reason demands that people should sign on to it. If somebody is not willing to sign on to it and says that because of trust deficit I do not want to be part of this, then he will become irrelevant.

We are a very large country; we have other options. We will not be prevented from developing because some neighbour of India is not prepared to work together with us; what we are saying is, here is the vision of South Asia that we subscribe to. We believe in it very strongly, particularly since the developments that have taken place in India over the last 15 years, where we have become a remarkably open economy, a very liberal economy, today we have really the ability to take our neighbours along with us. It is not just a theory.

If you look at, for example, how the free-trade agreement with Sri Lanka has worked, it is Sri Lanka which said that we want to now upgrade

this free-trade agreement into a comprehensive economic partnership agreement. Why? Because they have seen the benefits that have come from this free-trade agreement; there has been a remarkable increase in the volume of trade, the trade deficit has come down, and there are a number of Indian companies despite the uncertainties created by insurgency. Despite that there are major Indian companies which are investing money in Sri Lanka, and, by the way, there are Sri Lankan companies investing in India. And the Sri Lankans are talking about economic integration with the economies of the southern states of India, not we. There are today, where there used to be maybe three flights a week or four flights a week between India and Sri Lanka, there are more than a hundred flights a week today. I mean the results are there for everybody to see, and we are not talking just about a vision. This is something I think which we have proved in practice, it works. So I think if self-interest, if national interest is something which drives countries or policies, including those of our neighbours, I think it is quite apparent where the future lies.

Speaker (Shri Jagat Mehta): Sir, I want to congratulate you. Reading between the lines I see a vision. I thought that it was quite apparent in the lines themselves. But I would like to say that in the 21st century both nationalism and interdependence have increased. And nothing is so difficult for diplomacy than to be a large country and to be surrounded by small countries. All large countries have failed in relationships with their small neighbours, not just India. You mentioned the initiative from Bangladesh on SAARC. Let me be quite frank. I am old, retired. That initiative was only because they feared hegemony. That all those who are neighbours of India should get together because they were all unwarrantedly afraid of India...

But our problem has been that except for Bhutan, where we started our diplomacy at the Summit level, there have been ups and downs. And the problem is memory. What we remember, others forget and what they remember, we forget. I will give you an example. Take IC-814. Nobody here has mentioned that after 814 what were the merits of it. We stopped flights to Kathmandu for three months. Every Nepalese knows that most Indians have forgotten it. So the problem is that of being a large country. South Asia has been rather slow in moving ahead, and it is a very difficult process. But it will have to be consistent. We have one foreign secretary like you who has a vision, then there will be others like me who do not have a vision and in between we sometimes pull in some direction. We sometimes get ignored

and the problem now is we have resources, but it is really a shame that Bangladesh should not see its own interest in exporting surplus gas to India.

Nepal would have had a per capita income as high as Japan if only they had developed 20% or 30% of their hydropower. Having seen this, the contrast between Bhutan and Nepal is obvious. If Panditji had not gone to Bhutan in 1958, Bhutan by now would have been lagging behind.

In Afghanistan, it is beyond NATO, it is beyond Pakistan and it is now beyond us, but it is important in some ways. Afghanistan is a part of South Asia and we will never be able to establish the natural connection with the concentric circles of Central Asia, unless we have a steady link with Afghanistan and Pakistan. Because I think that is extremely important.

FS: I would say that with regard to Afghanistan, it has been a constant endeavour to try and get a direct connection to Afghanistan. We have taken Pakistan at its own words, where Pakistan says that it is a natural bridge between South Asia and the Gulf and South Asia and Central Asia. We said, well, you mentioned a bridge from where to where, I mean you cannot have a bridge going only in one direction. A bridge means you are connecting two areas. So, this has been a constant refrain in our dialogue with Pakistan. We have gone to the extent of telling Pakistan that both India and Pakistan have a very important self-interest in the political stability of Afghanistan and in the economic recovery of Afghanistan. Rather than looking at India as somehow being a competitor to Pakistan in Afghanistan, why do we not work together in order to bring about that political stability in the country, and we can contribute much more than anybody else can.

We have also said to Pakistan that if you have any reservations about India's activities in Afghanistan, we are ready to sit down together with you and talk about that; we have no problems. From our side, I think, there has been a fairly proactive approach to precisely establish close linkages, to try and bring about a sense of shared interest between India and Pakistan with regard to Afghanistan, which, have to, by the way, be dependent upon that kind of an access. I am hoping that over a period of time this will work. But again, we may make efforts but if there is a lack of response, or if there is a partial response, I do not think it is fair to blame it on Indian foreign policy, that somehow or the other this has been a failure on our part.

I am making this point because this keeps happening, and it is said that you have not been able to get that, you have not been able to do that.

We can try. If we were not making an effort, then we would be certainly subject to such allegations, but if we are making an effort, and if there is no response from the other side there is not much that we can do. I mean, when you mentioned, for example, Bangladesh and gas, and what benefits can come to Bangladesh. There are Bangladeshis themselves who are saying that this would be a major plus point for the Bangladeshi economy. Bangladesh came very close to accepting the Tata proposal.

So it shows that not all is lost; there is a sufficient body of opinion which is looking at the possibility of such co-operation. There is a sense in some of our neighbours that we are being left behind by India. That also they do not wish to see. Or a sense that India is losing interest in its neighbourhood because it wants more linkages with South-East Asia, it wants more linkages with dynamic economies in the West, and it does not really care about its neighbourhood. So there is also that pressure which is operating on our neighbours, which also I think we should capitalise upon and try and take advantage of.

So there is a certain opportunity today which I perceive, which was perhaps not there a few years back. These things will not happen overnight. It will not happen overnight because, as I said, part of the problem is our own mindset, whether we are able to change the way we think, the way we look at our borders, the way we look at our neighbours. But, equally, there is a problem of mindset on the part of our neighbours. There has to be a certain confluence in terms of these perceptions before we can really move ahead. I would submit that in several cases we have actually succeeded in moving ahead and the success of those efforts, say with Bhutan, say with Sri Lanka, is having an important impact on others. I think we should try and leverage that.

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098. Speech by Minister of State E. Ahemad at the inauguration of the SAARC Disaster Management Centre.

New Delhi, October 10, 2006.

Shri Shivraj Patilji, Hon'ble Union Home Minister,

Gen. N.C. Vij, Hon'ble Vice-Chairperson, National Disaster Management Authority,

Shri V.C. Duggal, Home Secretary,

Shri B.S. Lalli, Secretary, Border Management,

Dr P.G. Dhar Chakravarti, Executive Director, National Institute of Disaster Management Centre & Director SAARC Disaster Management Centre,

Distinguished Ambassadors and High Commissioners,

Distinguished Members of the Governing Board of the SAARC Disaster Management Centre,

Ladies and Gentlemen,

1. It gives me immense pleasure to be here with you at the inaugural event of the SAARC Disaster Management Centre.
2. I understand that the First Meeting of the Governing Board of the SAARC Disaster Management Centre has had very fruitful discussions. The Board has outlined the programme, the administrative set up and the budget of the Centre. I would like to congratulate members of the Governing Board for concluding a very successful meeting on a very important subject of relevance to our entire region. An institutional mechanism has been established and the stage is now set for regional cooperation on disaster management.
3. The need for regional cooperation in disaster management is imperative. South Asia is a victim of natural disasters. Time and again, we have seen the terrible toll that natural disasters have inflicted on vulnerable communities in our region. In recent years, there has been an alarming increase in natural disasters in our region. The magnitude of these disasters has far reaching social, economic

and environmental impact. The extensive damage to lives, property and livelihood of the affected communities has adversely impacted on our development efforts.

4. Natural disasters do not discriminate between national boundaries. While natural disasters cannot be avoided, certainly, what is possible is to reduce the risks, be better prepared to tackle them as a collective challenge and work together in relief and rescue operations. There is a lot that we can learn from each other's experiences and good practices in different fields and there is a great scope for increased cooperation and exchange of ideas and information. The Tsunami that struck Indian Ocean in 2004 followed by the earthquakes in India and Pakistan in 2005 have made us realize the need to cooperate with each other, if we have to prevent disasters or mitigate their recurrence in the future.
5. The Leaders at the 13th SAARC Summit in Dhaka recognized the importance of regional cooperation in disaster management, when they welcomed India's offer for hosting the SAARC Disaster Management Centre. This is an important development, considering the extensive loss of life and property due to natural disasters such as Tsunamis and earthquakes that have affected South Asia. A permanent regional response mechanism, dedicated to disaster preparedness, emergency relief and rehabilitation will benefit the entire region. As the largest country in the region, we are conscious of our larger responsibilities in tackling this challenge in the region. We are prepared to play this role.
6. India's record and demonstrated capabilities in disaster management are well-known. The decision to establish the SAARC Disaster Management Centre within the NIDM premises is a tribute to its capabilities and recognition of the excellent work done by the Institute in the area of disaster management and preparedness. We hope to develop the SAARC Disaster Management Centre as a centre of excellence for knowledge, research and capacity building on disaster management. NIDM's known expertise and capacity to undertake this task will contribute towards regional cooperation in this area.
7. Disaster management and preparedness are cross-cutting issues that cannot be tackled without a collective effort. Different Ministries and Departments in the Government, both in the Centre and in the States in our respective countries are responsible for addressing

issues relating to disaster management. Community efforts at the grassroots level are at the core of all successful examples of disaster management and preparedness.

8. I am aware that in Bangladesh, there is a separate Ministry for Food and Disaster Management, which allows it to take a holistic view of the issues involved not just in addressing disaster preparedness, risk mitigation and management, but also in rehabilitation and reconstruction. Sri Lanka has also created a separate Ministry of Disaster Management and Human Rights, and adopted a Roadmap on Disaster Risk Reduction and Management. I believe that Nepal, Bhutan, Afghanistan and Maldives are also reviewing their policies and practices to set up a holistic system of disaster management. In our own country, as in the case of some other South Asian countries, the Ministry of Home Affairs is the nodal point for such efforts at the national level. We have set up a National Disaster Management Authority to address all crosscutting issues in a holistic manner. It is our conviction that disaster risk reduction is not just an issue of relief and rehabilitation, but also of development. We have mainstreamed it into all sections at all levels.
9. Each country has to evolve its own national plans and strategies, given the specificity of each country's needs and situation. There can be no one size-fits-all approvals. But, we can certainly learn from each other and benefit from that. As we prepare our respective National Plans of Action for implementation of the SAARC Framework in Disaster Management and Disaster Risk Reduction, we should be mindful of the crosscutting nature of this subject. Now that the SAARC Disaster Management Centre has become operational, I would recommend that SAARC's activities on Disaster Management should be channelised through the Centre. This will avoid duplication of efforts and proliferation of forums. Proliferation of forums will defuse the focus, at a time of crisis management, when focus is most required. At the same time, the SAARC Disaster Management Centre should be able to work in close coordination with other existing national, regional and international centers and mechanisms, to obtain optimum benefits of the efforts and the good work done by others in tackling the challenges of natural disasters and rehabilitation in the region.
10. The Centre should establish a powerful networking with all relevant organization and institutions, so that it can emerge as a resource

base and a think-tank on disaster management in South Asia. While the Centre shall, of course, play its role in networking, knowledge integration, documentation, research, training and capacity building, there are larger areas of disaster risk reduction and management, such as early warning, disaster response and recovery, which would require substantial cooperation among all countries at all levels.

11. I am happy that a Framework of Regional Cooperation has been developed. This would come up for consideration at the 14th SAARC Summit to be held in New Delhi in April 2007. I look forward to our discussions to deepen our cooperation.
12. In conclusion, I would like to wish the SAARC Disaster Management Centre all success in their endeavors at regional cooperation. This is a very crucial area for cooperation, as it has major developmental impact for all of us.

Thank you.

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INDIA'S FOREIGN RELATIONS - 2006

SECTION - V

(ii) COUNTRIES OF THE SAARC

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BANGLADESH

099. Briefing Points by Official Spokesperson on the talks between Prime Minister Manmohan Singh and Bangladesh Prime Minister Begum Khaleda Zia.

New Delhi, March 21, 2006.

- On terrorism¹, both sides agreed that India and Bangladesh are victims of terrorism and need to join hands in fighting this scourge.
- On trade, it was noted that Bangladesh's exports to India have been steadily rising. There is still trade imbalance which we recognize and are sensitive to Bangladesh's concerns and there was a desire to address this issue with flexibility and with pragmatism. One way, of course, is by promotion of Indian investments in Bangladesh. For instance, there is the proposal for USD 2.5 billion worth of Tata investment in Bangladesh. On this, Bangladesh side said that they are examining various proposals in this regard. Certain matters need clarification and they were waiting for those.
- On various other issues like water issues and security issues, it was felt that institutional mechanisms which are available for the two sides must be strengthened. For instance, the Home Secretary level meetings which address the security issues should be held more

1. For sometime India had been concerned about the terrorist activities in Bangladesh and from Bangladesh into India. The attention of Dhaka was drawn to it on various occasions. Jairam Ramesh Minister of State for Commerce on a visit to Dhaka in connection with the first meeting of the SAFTA Ministerial Council told the Bangladesh journalists in Dhaka on April 20 that "an impression is gaining ground in India that Bangladesh is allowing itself to be manipulated against Indian interests." Stating that fundamentalism was "becoming a huge problem in South Asia" he said "no government in Bangladesh should allow fundamentalists to gain ground." He said another impression gaining ground was that Bangladesh's territory and citizens are being used to create problems in India. "Our interest is to see a secular democratic and liberal Bangladesh." "New Delhi had nothing to do who ruled Dhaka. It is the sovereign, democratic choice of the people of Bangladesh," he said but added that "the electoral process must be free and fair." But unfortunately there was no change in the ground situation. Seeing no improvement in the situation and in desperation the National Security Advisor M. K. Narayanan on November 19 told journalists in Bangalore after addressing a meeting of Senior Police Officers on the national security scenario that India regarded Bangladesh as a "sanctuary" for terrorists and also a "launching pad" for them into India. "We are in touch with the Bangladesh Government on this issue and I think the cooperation is not forthcoming as it should be," Mr. Narayanan said.

regularly, as well as the meetings of the Joint Rivers Commission should be held more regularly.

- On SAARC, they appreciated the role played by Prime Minister in contributing to the success of the 13th SAARC Summit in Dhaka and they agreed that SAFTA needs to be implemented as soon as possible.
- The Sealdah – Jaidevpur train link - they are agreeable to operationalisation of this link.
- On Teesta river issue, they decided that the meeting can be held early. In response to a question on terrorism the Official Spokesperson said: "They are aware of our concerns. There was a very constructive exchange of views on all these issues which are matters of mutual concern. India and Bangladesh are both victims of terrorism. That was all recognized and terrorism by its very nature is a kind of phenomenon which can be best tackled by joint cooperation."

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100. Speech by Prime Minister Dr. Manmohan Singh at the banquet in honour of Bangladesh Prime Minister Begum Khaleda Zia.

New Delhi, March 21, 2006.

Your Excellency Begum Khaleda Zia, Prime Minister of the People's Republic of Bangladesh, Distinguished members of the Bangladeshi delegation, Ladies and Gentlemen,

It is a great pleasure for me to welcome you Madam Prime Minister and the members of your delegation as honoured guests in India. Your visit is testimony to the tremendous importance that both our countries attach to our bilateral relationship.

We have just concluded an intensive and useful exchange of views on the full range of issues that are important in our bilateral ties. As we are friends and neighbours, this encompasses all subjects. Our dialogue was most useful in understanding each other's point of view and in making progress on various issues. Some important Agreements have been signed and these will provide the right framework for guiding and expanding economic and commercial cooperation between our two countries.

We believe sincerely that India and our neighbours all have a common destiny. One cannot prosper without the other and it is only through cooperation within the region that we can compete outside it. We believe it is in our fundamental interest to see a strong, stable and economically strong Bangladesh making its full contribution to regional development.

There is a huge reservoir of goodwill for Bangladesh in India. After all, our culture, language, history and heritage have many common roots. Our people recognize our separate and distinct national identities but draw from a shared consciousness, and cherish a common desire for a life of peace and dignity and for cultural and social upliftment. We can never forget that in the past we have stood shoulder to shoulder to defend these aspirations that we hold so dear.

Both countries have rich intellectual traditions and we must promote much greater interaction between our scholars, intellectuals and opinion makers. It is a matter of satisfaction that today we are able to see Bangladeshi TV channels in India and I understand that they give our local channels stiff competition.

The same poetic voice has given expression to our national identities and to our souls. Our national anthems have been composed by the same great poet, Rabindranath Tagore and Kazi Nazrul Islam is as revered in India as he is in Bangladesh. Liberal and democratic values are cherished in both countries. The artistic wealth contained in Rabindra Sangeet and Nazrul Geeti is a heritage for both our countries. It is on the basis of these fundamental beliefs that we must build our bilateral relations and take them forward.

As we rededicate ourselves to ever stronger friendship between India and Bangladesh, I wish to conclude with the lines from that immortal poet Kazi Nazrul, whose message of hope is an inspiration and a challenge;

*Ushar duware hani aghat, amra anibo naya probhat,
Amra gocchabo timiro raat, badhar bindhachal*

(Striking at the door of dawn, we would usher in a new morning, We would overcome the dark night and the mountains of obstacles.)

Thank You.

101. Joint Press Release issued at the end of the visit of Bangladesh Prime Minister Begum Khaleda Zia.

New Delhi, March 22, 2006.

1. H.E. Begum Khaleda Zia, Prime Minister of the People's Republic of Bangladesh paid a state visit to India from 20-22 March 2006 at the invitation of the Indian Prime Minister, H.E. Dr. Manmohan Singh.
2. During the visit, the Bangladesh Prime Minister held comprehensive discussions with the Indian Prime Minister H.E. Dr. Manmohan Singh on the entire gamut of bilateral relations. They also discussed regional and international issues of mutual interest. The discussions between the two leaders were underpinned by the common desire to strengthen and consolidate the friendly ties that already exist between the two countries based as they are on shared history and culture and wide-ranging people-to-people relations.
3. The Bangladesh Prime Minister called on the Indian President H.E. Dr. A.P.J. Abdul Kalam, the Vice-President H.E. Shri Bhairon Singh Shekhawat and the Chairperson, United Progressive Alliance, Smt. Sonia Gandhi. The Hon'ble Minister of Commerce and Industry Shri Kamal Nath, the Hon'ble Leader of the Opposition Shri L.K. Advani, and the Hon'ble Chief Minister of Mizoram, Shri Zoramthanga, also called on the Bangladesh Prime Minister.
4. Two Agreements¹ were signed during the visit of the Bangladesh Prime Minister. These were: the Revised Trade Agreement and the

1. The details of the two agreements are: **Revised Trade Agreement between India and Bangladesh** The Revised Trade Agreement is being signed between India and Bangladesh upon expiry of the Trade Agreement originally signed in 1980. The agreement aims at expanding trade and economic relations between the two countries on the basis of equality and mutual benefits by facilitation, expansion and diversification of trade. The agreement recognizes that expansion of trade is important for the development of the two countries and also takes into account the asymmetries that exist between the two countries. The agreement also calls for cooperation between the two governments to prevent infringement and circumvention of rules and regulations of either country in matters related to foreign exchange and foreign trade. Both the countries would make mutually beneficial arrangements for the use of their waterways, roadways and railways for commerce between the two countries for passage of goods between places in one country through the territory of the other. According to the agreement, both the countries would also facilitate holding of trade fairs and exhibitions and visits of business and

Agreement for Mutual Cooperation for Preventing Illicit Trafficking in Narcotic Drugs and Psychotropic Substances and Related Matters. While the revised trade agreement is expected to provide a framework for expansion of bilateral trade², the other agreement signals the joint determination of the two Governments to combat drug trafficking.

5. Both leaders agreed on the need to maintain high-level political dialogue between the two countries. It was recalled that the Indian Prime Minister had met the Bangladesh Prime Minister in Dhaka in November last year during the 13th SAARC Summit. The current visit of the Bangladesh Prime Minister has provided both countries the opportunity to continue and sustain their high-level political dialogue. The visit is also testimony to the highest priority attached by both countries to the promotion of their bilateral relations in all aspects.
6. Discussions between the sides led by the two Prime Ministers were held in a cordial atmosphere and there was a constructive and forward-looking exchange of views. The discussions resulted in

trade delegations.

Agreement for mutual cooperation for preventing illicit trafficking in Narcotic Drugs and Psychotropic Substances & Related Matters The agreement on cooperation for preventing illicit trafficking in Narcotic Drugs and Psychotropic Substances & Related Matters signed during the visit of the Prime Minister of Bangladesh is a reaffirmation of the joint determination of India and Bangladesh to fight against drug abuse and illicit trafficking. Under the agreement, the Narcotics Control Bureau would be the nodal agency for India and the Department of Narcotics Control would be the nodal agency for Bangladesh, which shall meet periodically with the aim of promoting field level contact and cooperation between the two countries. The agreement also envisages quick exchange of information regarding operational intelligence and to help each other build up records in respect of smugglers, suspects, financiers, organisers, etc.

2. There is an outstanding complaint by Bangladesh side that the trade between the two countries was lopsided. But some improvement in the situation was perceptible as pointed out by Commerce Minister Kamal Nath. He pointed out that Bangladesh exports to India had grown by massive 68 percent in 2004-05 but the trade imbalance still remained. Stressing that Dhaka and New Delhi needed to look at their basic trade basket, the Commerce Minister stated that with the operationalisation of the SAFTA and India's initiative to address market access issues of Bangladesh's textiles and garment sector there would be a "substantial increase" in exports to India. Calling for greater "political impetus" to existing economic mechanisms, he pointed out that the Joint Economic Commission between the two sides had not met for the last three years. "We need to give more political impetus to these groups," he said. Mr. Kamal Nath suggested the need for a free trade agreement between the two countries and cited the success of India – Sri Lanka Free Trade Agreement as an example.

greater understanding and appreciation of each other's point of view. It was agreed that meetings of the bilateral institutional mechanisms such as the Joint Economic Commission, the Joint Boundary Working Groups, the Joint Rivers Commission and the Home Secretary-level talks would be held more frequently to ensure movement in a positive direction and their outcome monitored by the political leadership on a continuous basis. Whether it is security, trade or sharing of water, the two leaders reaffirmed their commitment to work closely together to find mutually satisfactory solutions. Both sides agreed that the visit of H.E. Begum Khaleda Zia, the Bangladesh Prime Minister to India had contributed to further consolidation and progress in the already close and friendly relations between the two neighbouring countries.

7. The two leaders also expressed their satisfaction over the successful conclusion of the 13th SAARC Summit in Dhaka in November 2005. They agreed that the positive outcome of the Summit would enable SAARC member countries to achieve specific economic and social objectives. Both leaders emphasized that implementation of SAFTA must be pursued with vigour to advance the SAARC economic agenda.
8. The Bangladesh Prime Minister conveyed her thanks to the Indian Prime Minister as well as the Government and the people of India for the warm hospitality extended to her and members of her delegation during her visit to India. She extended an invitation to the Indian Prime Minister to visit Bangladesh. The invitation was accepted by the Indian Prime Minister with pleasure and precise dates would be worked out through diplomatic channels.

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101-A. The Agreement for Mutual Cooperation between the Government of the People's Republic of Bangladesh and the Government of India for Preventing illicit trafficking in Narcotic Drugs and Psychotropic Substances and Related Matters.

New Delhi, March 21, 2006.

The Government of the People's Republic of Bangladesh and the Government of the Republic of India (hereinafter referred to as the contracting parties): -

Considering that the Single Convention on Narcotic Drugs of 1961, as amended by the 1972 protocol, the Convention on Psychotropic Substances of 1971, and the UN Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances, 1988 form the basis for national and international drug control;

Reaffirming their joint determination to fight against drug abuse and illicit trafficking in strict conformity with international law, and respect for the sovereignty and territorial integrity of States and for the principle of non-interference in the internal affairs of States;

Taking into consideration due Constitutional, Legal and Administrative systems existing in either country;

Have agreed as follows:-

ARTICLE – I

The contracting parties shall use their best efforts, consistent with their national laws and narcotics control situations, taking appropriate action, where applicable, to cooperate with each other using following measures:

- a) Exchange of information of operational, technical and general nature between the nodal enforcement agencies of India and of the People's Republic of Bangladesh;
- b) Assisting one another, upon request, in operational matters, including employing such investigative techniques as may be necessary for interdicting all types of narcotic and synthetic drugs;
- c) Identifying and destroying illegal drug processing sites and

laboratories and to identify and eradicate illicit cultivation of cannabis and opium poppy wherever found;

- d) Regulating and monitoring the production, importation, exportation, storage, distribution and sale of precursors, essential chemicals and solvents which may be used in illicit manufacturing and production of narcotic drugs;
- e) Reducing demand through prevention, treatment and public awareness activities.

ARTICLE – II

The Contracting Parties, recognizing that medicinal drugs like phensedyl, morphine, pethidine, tidigesic injection (Buprenorphine) and preparations of psychotropic substances are being abused by the drug addicts, attach due importance to the control of such medicinal drugs and shall take appropriate action and extend cooperation in the following areas:

- a) Assessment of the nature and extent of the abuse of medicinal drugs;
- b) Exchange of information on trafficking routes, seizures, arrests, origins and sources of medicinal drugs recovered from illegal possessions;
- c) Regulate and monitor the production, importation, exportation, storage, distribution, sale, possession and use of medicinal drugs under the existing legal and administrative systems;
- d) Arrange, whenever felt necessary by the contracting parties, joint inspection of the whole gamut of activities relating to production and dispensation of medicinal drugs with a view to determine the level of licit and illicit supply of such drugs;
- e) Assist one another, upon request, in operational matters including undertaking such investigative measures as may be necessary for eradication of the sources of illicit supply of medicinal drugs;
- f) Hold meetings between the two nodal agencies of the two contracting parties to review the prevalence of medicinal drugs for abuse and addiction from time to time; and
- g) Harmonize, where applicable and feasible, the control provisions of national laws in respect of medicinal drugs and their ingredients.

ARTICLE – III

For the purpose of this agreement, drugs shall be understood to be the substances that are scheduled or described in the Single Convention on Narcotic Drugs, 1961, as amended by the Protocol of 1972, and Convention on Psychotropic Substances 1971 and precursors, essential chemicals and solvents are those substances included in the Tables appended to Article 12 of the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 or any other substances as mutually agreed upon as such substance.

ARTICLE – IV

In furtherance of the objectives of this Agreement, subject to their national laws, the Contracting Parties shall;

- a) Exchange literature on existing laws, rules, procedures etc. concerning drug abuse control and on amendments which may take place in the existing laws in future;
- b) Combat drug trafficking, prevent money laundering and cooperate in tracing, identification, freezing, seizure and forfeiture of properties derived from or used in illicit traffic, following exchange of information.

ARTICLE – V

The contracting parties shall designate agencies and officers through whom regular exchanges of information may be effected. In respect of the Republic of India, the nodal agency would be the Narcotics Control Bureau and in respect of the People's Republic of Bangladesh, the Nodal Agency would be the Department of Narcotics Control. A list of postal address, telephone telex/fax numbers of the Nodal Agencies and the contact officers is appended to this agreement as Appendix-I.¹

The Nodal Agencies of the contracting parties shall have periodical meetings on mutually convenient places and dates as may be decided due to operational reasons. The two sides may include field level officers in their respective teams to facilitate and promote field level contact and cooperation.

ARTICLE – VI

The exchange of any type of information under this Agreement shall be channelised through the Nodal Agencies specified above. The nature

of intelligence/information which may be exchanged between the nodal agencies of the contracting Parties would be of two types:-

- a) Operational intelligence which may be communicated through the fastest means of communication, viz. telephone and telex/fax;
- b) Information of a detailed nature which will be communicated through correspondence in order to build up dossiers in respect of smugglers, suspects, financiers, organizers, etc.

On the issue of exchange of information on drug traffickers operating between the two countries, the normal exchange may take place in the formats as at Appendices II¹ and III¹. While the normal mode of exchange of information and operational intelligence on matters relating to drug trafficking will be in the prescribed format, any other information of significance may be exchanged on any other format on 'as and when necessary' basis.

This Agreement shall enter into force upon signature and shall remain in force until terminated by either party by giving at least three months' notice in writing.

In witness whereof the undersigned being duly authorized by their respective Governments have signed this Agreement.

Done at New Delhi on the Twentyfirst day of March Year Two thousand and six (21st of March 2006) in two originals each in Hindi, Bangla and English languages, all texts being equally authentic. In case of doubt, however, the English text shall prevail.

**On behalf of the Government
of the People's
Republic of Bangladesh**

**On behalf of the Government
of the Republic of India**

**(M.Morshed Khan)
Minister for Foreign Affairs**

**(Kamal Nath)
Minister of Commerce and Industry**

F F F F F

1. Not include here.

101-B.Trade Agreement between the Government of the Republic of India and the Government of the People's Republic of Bangladesh.

New Delhi, March 21, 2006.

The Government of the Republic of India and the Government of the People's Republic of Bangladesh;

Being conscious of the urge of their two peoples to enlarge areas of mutual co-operations;

Desirous of expanding trade and strengthening economic relations between the two countries on the basis of equality and mutual benefits;

Have agreed as follows:

Article I

The two Governments recognizing the need and requirements of each other in the context of their developing economies undertake to explore all possibilities, including economic and technical cooperation for promotion, facilitation, expansion and diversification of trade between the two countries on the basis of equality and mutual benefit.

Article II

The two Governments agree to take appropriate measures in accordance with the evolving international trading system for mutual benefit of developing countries and least developed countries in so far as such measures are consistent with their individual, present and future development, financial and trade facilitation.

Article III

The two Governments agree that expansion of their mutual trade exchanges would make an important contribution towards their development. To this end, they agree to take appropriate and special measures during periodic reviews taking into account the asymmetries between the two countries with a view to augmenting and diversifying their mutual trade specially in respect of specific products as may be agreed upon.

Article IV

All payments and charges in connection with trade between the two countries shall continue to be effected in freely convertible currencies in accordance with the foreign exchange regulations in force in each country from time to time.

Article V

Imports and exports of commodities and goods produced or manufactured in India or Bangladesh, as the case may be, shall be permitted in accordance with the import, export and foreign exchange laws, regulations and procedures in force in either country from time to time taking into account asymmetries between the two countries.

Article VI

Each Government shall accord to the commerce of the other Government, treatment no less favourable than that accorded to the commerce of any third country.

Article VII

The provisions of Article VI shall not prevent the grant or continuance of:-

- a) Privileges which are or may be granted by either of the two Governments in order to facilitate frontier trade by separate agreement(s);
- b) Advantages and privileges which are or may be granted by either of the two Governments to any of their respective neighbouring countries;
- c) Advantages resulting from a customs union, a free trade area or similar arrangements which either of the two Governments has concluded or may conclude in the future.
- d) Advantages or preferences accorded under any scheme for expansion of trade and economic cooperation among developing countries in so far as such countries, which is open for participation by all developing countries, and to which either of the two Governments is or may become a party.

Article VIII

The two Governments agree to make mutually beneficial arrangements for the use of their waterways, railways and roadways for commerce between the two countries and for passage of goods between two places in one country through the territory of the other.

Article IX

Each Government will grant merchant vessels of the other country while entering, putting off and lying at its ports and most-favoured-nation treatment accorded by their respective laws, rules and regulations to the vessels under the flag of any third country.

Both the Governments agree on the basis of shipper's preference, to utilize to the maximum extent possible, the vessels owned/chartered by shipping organizations of the two countries concerned for shipping cargoes imported or exported under this Agreement at competitive freight rates.

Article X

The two Governments agree to cooperate effectively with each other to prevent infringement and circumvention of the laws, rules and regulations of either country in regard to matters relating to foreign exchange and foreign trade.

Article XI

The two Governments agree to accord, subject to their respective laws and regulations, reasonable facilities for the holding of trade fairs and exhibitions and visits of business and trade delegations sponsored by the Government concerned.

Article XII

In order to facilitate the implementation of this Agreement, the two Governments shall consult each other at least once in a year or earlier as and when necessary, and shall review the working of the Agreement with special asymmetries between the two countries.

Article XIII

This Agreement shall come into force on the 1st April, 2006. It shall remain in force for a period of three years. It may be extended by a further

period of three years by mutual consent subject to such modifications as may be agreed upon.

Done in New Delhi, on the 21st March 2006, in two original copies, each in Hindi, Bengali and English, all the texts being equally authentic. In case of difference, the English text shall prevail.

(Kamal Nath)

**Minister of Commerce and
Industry, Government
of the Republic of India**

(M. Morshed Khan)

**Foreign Minister
Government of the People's
Republic of Bangladesh**

F F F F F

102. Press Release of the High Commission of India in Dhaka on meetings held by Minister of State E. Ahamed with Bangladesh leaders.

Dhaka, August 1, 2006.

On the sidelines of the 27th session of the SAARC Council of Ministers meeting, being held in Dhaka, from August 1st – 2nd, Shri E. Ahamed, Minister of State for External Affairs, today paid a courtesy call on the Prime Minister of Bangladesh, H.E. Begum Khaleda Zia. Shri E. Ahamed also held a meeting with the Foreign Minister of Bangladesh, H.E. Mr. Morshed Khan.

Shri E. Ahamed thanked Prime Minister Begum Khaleda Zia for her letter to Prime Minister Manmohan Singh, strongly condemning the Mumbai train blasts and for her expression of solidarity. Shri E. Ahamed said that the perpetrators of this act would be defeated by the people of India who have displayed their firm resolution to maintain unity, integrity and peaceful existence. Shri E. Ahamed also reiterated India's continued commitment to further strengthening bilateral relations.

Shri E. Ahamed discussed these and SAARC related issues in detail with Foreign Minister Morshed Khan. Both sides also reviewed recent developments in West Asia. In the context of the SAARC Council of Ministers meeting, Shri E. Ahamed conveyed India's deep concerns over the actions being taken by Pakistan in preventing the implementation of the SAFTA. Shri E. Ahamed underlined that the SAARC Council of Ministers had a responsibility to take a stand against any country specific measures. He also underlined the importance of ensuring that an important SAARC treaty does not unravel at the very first step.

Foreign Minister Morshed Khan reiterated Bangladesh's commitment to SAFTA and assured that as the current Chair of SAARC, Bangladesh would make all efforts to help find a resolution to this issue. Shri E. Ahamed thanked Foreign Minister Morshed Khan for his support.

Shri E. Ahamed also made a courtesy call on H.E. Sheikh Hasina, President, Awami League and Leader of the Opposition in Bangladesh Parliament.

103. Speech by Minister of State E. Ahmed at Bangladesh - Bharat Maitri Samiti, Bangladesh - Bharat Shampriti Parishad and Bangladesh Muktijoddha Kalyan Foundation.

Dhaka, August 1, 2006.

It is a privilege for me to address the distinguished gathering present here today. Many of you played an important role in the Liberation War of Bangladesh in 1971 and have made immense sacrifices to create this vibrant nation. Today, I would also like to remember the countless men and women who laid down their lives for the cause of freedom. They are not amongst us today but their memories still inspire us. It is their courage and sacrifice that enables us today to lead our lives in freedom.

The democratic and secular values of our own freedom struggle motivated the people of India to wholeheartedly extend their unstinting support to the people of Bangladesh in their fight for liberation. Today, I am reminded of the words of late Prime Minister Shrimati Indira Gandhi who had declared at a public rally here in Dhaka on March 17th 1972: "If India has helped you, it is because we could not sit idly by after hearing your voice and after knowing of the sorrow and suffering that you have undergone. If we have helped you, it is in order to be true to ourselves, and to the principles to which we have adhered for years".

We in India have watched Bangladesh with admiration as all sections of the people rallied together and dedicated themselves to building a new nation. As you now prepare for the next general elections. Let us not forget that our freedom today, our ability to freely exercise our democratic choice, which is taken for granted, has been built on the sacrifices of our freedom fighters. We in India have learnt that it takes enormous strength to preserve our freedom and institutions and to work constantly to build upon and strengthen them.

I have been contesting elections since 1967. In addition to my five terms in the Kerala State Legislative Assembly, this is my fifth term as an elected member of parliament. Let me draw upon this long and enriching experience and share a few thoughts with you.

With a population of one billion and an electorate of more than 650 million, India is not only a flourishing democracy but can rightfully claim to be the world's largest. In the last general election in India, the 14th, in

which my government was elected, more than 60% of the people turned-out to cast their vote. It is not only a staggering statistic but a daunting exercise as well.

The very process of an election contains within it two interrelated aspects; on the one hand the simple but powerful act of freely casting their vote greatly empowers the people; and on the other, the very process of regular elections not only ensure the fearless exercise of political choice but facilitate the orderly change of governments.

I am sharing my experiences because there is today a great focus on the forthcoming general elections in Bangladesh, due to take place by January next year. There is already an intense debate in Bangladesh on the coming elections. I must admit that there is also a keen interest in India. But to me, the discussions and debate that surround the forthcoming elections are a clear demonstration of the strength of the democratic traditions in Bangladesh. We hope that the next general elections will be truly free and fair, as befits a vibrant democracy like Bangladesh. At the same time, I would also like to underline that we look forward to working with whichever government the people of Bangladesh decide to elect.

We, in India, attach the highest importance to our relations with Bangladesh. This sentiment is shared by all, cutting across party lines. A strong, stable, secular, democratic and prosperous Bangladesh is not only in the interests of the people of India, but also for the region as a whole and, most importantly for the people of Bangladesh. Let me assure you that there is no dilution whatsoever in our commitment to extend all assistance and cooperation to help Bangladesh achieve these goals.

Terrorism, today, poses the greatest danger to the peaceful and stable existence of nation-states in the world today. It is the open and democratic societies that are most vulnerable to the threat posed by extremism and terrorism. The recent blasts in Mumbai and Srinagar have once again shown the kind of destruction such elements can cause and the extent to which these elements can go to impose their views and beliefs.

We believe Bangladesh should and can set an example to others. It is in our mutual interest to cooperate and work to curb the rise of fundamentalist and extremist beliefs.

With a common historical heritage, language, literature, music and art there is much that unites our two countries. We can expend our energies

in constructing artificial divisions or address the vital challenges that confront our people. Just as Durga puja is celebrated with joy in Bangladesh, India's 150 million Muslims herald Id ul Fitr to mark the end of the holy month of Ramadan. Just as lakhs of Muslim pilgrims throng each year to the annual Bishwa Ijtema congregation at Tongi (near Dhaka), equal numbers travel to India each year to offer ziarat at Ajmer Sharief.

As neighbors it is natural that differences will arise but it is only through dialogue and understanding that trust can be created. Once we are committed to meaningfully working together we can hope to work for resolution of complex issues.

In conclusion, I would like to say that all of you have an important role to play. I do believe that in achieving our goal of implementing the vision of a dynamic South Asia region, organisations like the Bangladesh-Bharat Maitri Samiti, the Bangladesh Bharat Shampriti Parishad and the Bangladesh Muktijoddha Kalyan Foundation can play a catalytical role. I believe that by continuing to preserve the spirit and ethos that marked your struggle for independence can also help to strengthen India-Bangladesh relations.

I will end by quoting Prime Minister Manmohan Singh. In his address to the 13th SAARC Summit, here in Dhaka last November, Dr. Manmohan Singh said: "India seeks a neighbourhood of peace and prosperity. Our sub-continent has been home to all the great religions of the world. It is a powerhouse of human creativity, where knowledge is worshipped as the gift of our creators. With wisdom and farsightedness, we South Asians can transform not just this region, but the whole world".

Thank You.

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104. Media Briefing by Official Spokesperson expressing concern at the Bangladesh Rifles unprovoked firing on Indo-Bangladesh border.

New Delhi, August 14, 2006.

... This morning at about 11:30 hrs, the Joint Secretary dealing with Bangladesh in the Ministry of External Affairs summoned the High Commissioner of Bangladesh in India to the Ministry to express concern on the issue of unprovoked firing by the Bangladesh Rifles in the Surma River area. The Joint Secretary informed the High Commissioner that a note verbale on the subject has already been delivered to the Bangladesh Foreign Office through our High Commission in Dhaka. A similar note verbale was handed over to the High Commissioner also. In response, the High Commissioner of Bangladesh assured the Joint Secretary that he would convey India's serious concern on the matter to his Foreign Office and also suggested that the matter could be discussed in greater detail in the forthcoming Home Secretary level talks.

To give you more background, I can tell you that the firing took place in the Zakiganj sector on the 10th of August. The background to the firing was the continuing attempt at infiltration and encroachment by Bangladesh into approximately 220 acres of land on the western bank of Surma River. There are well-demarcated boundary pillars in this area clearly indicating that this is Indian territory. The land records with the Settlement Officer, Cachar and Hailakandi District in Silchar, Assam confirmed that the said land is not under adverse possession as is mistakenly being claimed by Bangladesh Rifles.

At the same location as far back as June 28th, the Bangladesh Rifles had opened unprovoked automatic weapons firing and subsequently, during the Commandant level flag meeting and on July 4th, the Bangladesh Rifles Commander had assured the Indian side that they would stop Bangladeshi civilians from illegal cultivation in the Indian land lying across the River Surma. Unfortunately, on contrary to accepted norms, the Bangladesh Rifles evidently tacitly encouraged Bangladeshi civilians to continue their illegal cultivation of Indian land. Once again this matter was discussed in Silchar with the DIG, BSF and the BDR Sector Commander.

Despite this, on the 9th of August, 38 Rifles Battalion of BDR opened unprovoked and heavy fire on the BSF with automatic weapons like

Universal Machine Guns and Heavy Machine Guns. Thereafter, the BDR also resorted to large-scale indiscriminate mortar firing on Indian territory, firing about 140-150 mortar shells from 60 mm mortars and 82 mm long range mortars. The firing continued throughout the night of August 9-10. This resulted in the death of two Indian women- Shanta Dey and Sabita Dey of the village Kinokhal and critically injured a child. Many other civilians also suffered injuries. It is a matter of concern that despite mutually agreed decision, on the morning of August 9th by senior BSF and BDR officials to resolve the issue through a flag meeting on August 13th, on the night of August 9th itself unprovoked firing started.

Question: Was the Deputy High Commissioner of India also summoned there in Dhaka?

Official Spokesperson: The Deputy High Commissioner of India was handed over a note by the Bangladesh Foreign Ministry during his courtesy call on the new Director General (South Asia). This was a note drawing attention to certain comments made by Shri Rajnath Singh, President of the BJP while addressing a rally in Panaji on August 12th. We have seen those reports regarding Shri Rajnath Singh's statement and all I can say is that those reported remarks do not represent Government policy.

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105. Statement by Official Spokesperson on developments in Bangladesh.

New Delhi, October 29, 2006.

Government of India is closely watching developments in Bangladesh. As a friendly neighbour, we are naturally interested in Bangladesh remaining peaceful, democratic and stable. It is our hope that the people of Bangladesh will be allowed to exercise their right to choose their own government in a free and fair manner in the forthcoming elections in accordance with their Constitution¹.

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1. The Spokesperson was referring to widespread disturbances in Bangladesh on the formation of caretaker government for the conduct of general elections to the Bangladesh Jatiya Sangsad (Parliament).

BHUTAN

106. Statement to the media by Foreign Secretary on his visit to Bhutan.

Thimpu, April 18, 2006.

This has been short but a very pleasant visit to Bhutan. I have had the privilege of an audience with His Majesty The King, which provided the opportunity for in depth and wide-ranging review of the many facets of our bilateral relations. It gives me great pleasure to be able to say – yet again - that our bilateral relationship is an exemplary one. There are no outstanding issues between us.

I was very happy also to have had the opportunity to meet Their Majesties The Queens and His Royal Highness The Crown Prince during my stay here and renew our acquaintances.

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107. Press Release of the Ministry of External Affairs on the inauguration of Kurichhu Hydro Electric Project in Bhutan.

New Delhi, April 26, 2006.

The Kurichhu Hydro Electric Project (HEP), a run-of –the river 60 MW Project on Kurichhu River in Mongar District in Eastern Bhutan was inaugurated on 26th April 2006 by the Crown Prince of Bhutan, His Royal Highness Jigme Khesar Namgyel Wangchuck and the Ambassador of India Shri Sudhir Vyas. The ceremony was attended by Lyonpo Yeshey Zimba, Bhutan’s Minister for Trade, Industry and Power and other dignitaries.

The Kurichhu Power Project was funded by Government of India at a cost of Rs. 560 Crore. The project was executed by M/s National Hydroelectric Power Corporation (NHPC) and was commissioned in 2002. Kurichhu HEP supplies electricity to eight districts in Eastern Bhutan and another two districts will be covered after the completion of the Tingtibi – Trongsa-Bumthang Transmission Line funded by GOI in 9th Five Year Plan of Bhutan. Surplus power from Bhutan is exported to India.

The Kurichhu Hydro Electric Project marks yet another milestone in the ongoing partnership between India and Bhutan in the hydro power sector. It is a manifestation of the close ties of friendship and cooperation between the two countries and the potential that exists for joint projects for the mutual benefit of the people of both the countries.

F F F F F

108. Agreement on Trade, Commerce and Transit between the Government of the Republic of India and the Royal Government of Bhutan

New Delhi, July 28, 2006

The Government of the Republic of India and the Royal Government of Bhutan,

Conscious of the age-old ties between India and Bhutan and with a desire to strengthen them,

Convinced of the benefits which accrue to their people from the free trade- and commerce between the two countries, expansion of the bilateral trade and collaboration in economic development,

Have, in furtherance of the aforementioned objectives, agreed as follows:

ARTICLE - I

There shall, as heretofore, be free trade and commerce between the territories of the Royal Government of Bhutan and the Government of the Republic of India.

ARTICLE - II

Notwithstanding Article - I, the Royal Government of Bhutan may, henceforth, impose such non-tariff restrictions on the entry into Bhutan of certain goods of Indian origin as may be necessary for the protection of industries in Bhutan. Such restrictions, however, will not be stricter than those applied to goods of third country origin.

ARTICLE-III

Notwithstanding Article – I, the Governments of the two countries

may impose such non-tariff restrictions on entry into their respective territories of goods of third country origin as may be necessary.

ARTICLE - IV

In view of the free movement of goods flowing between the two countries and of the possibility of the flow from one to the other of goods of third country origin, the Governments of the two countries shall have annual consultations.

ARTICLE - V

All exports and imports of Bhutan to and from countries other than India will be free from and not subject to customs duties and trade restrictions of the Government of the Republic of India. The procedure for such exports and imports and the documentation which are detailed in the Protocol to this Agreement, may be modified by mutual agreement from time to time.

ARTICLE - VI

Notwithstanding the foregoing provisions, either contracting party may maintain or introduce such measures or restrictions as are necessary for the purpose of:

- i. Protecting public morals;
- ii. Protecting human, animal and plant life;
- iii, Implementing laws relating to import and export of gold and silver bullion;
- iv. Safeguarding national treasures; and
- v Safeguarding such other interests as may be mutually agreed upon.

ARTICLE - VII

Trade between India and Bhutan will continue to be transacted in Indian Rupees and Bhutanese Ngultrum.

ARTICLE -VIII

Each of the Governments agrees to provide appropriate refund to be mutually decided annually in respect of excise duties on goods of its origin exported to the other.

ARTICLE - IX

Merchant ships sailing under the flag of Bhutan shall be accorded treatment no less favourable than that accorded to ships of any other foreign country in respect of matters relating to navigation, entry in to and departure from the Indian ports, use of ports and harbour facilities in India, as well as loading and unloading dues, taxes and other levies, except that the provision of this Article shall not extend to coastal trade.

ARTICLE - X

The two Governments agree to enter into immediate consultations with each other at the request of either side in order to overcome such difficulties as may arise in the implementation of this Agreement satisfactorily and speedily.

ARTICLE - XI

This Agreement shall come into force with effect from the 29TH July 2006 and shall remain in force for a period of ten years.

This Agreement may be renewed by mutual consent to such changes and modifications as may be agreed upon between the two countries.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto have signed the present Agreement.

Done in two originals at New Delhi on the Twenty Eighth Day of July Two Thousand Six in the Hindi, Dzongkha and English languages. In case of conflict the English text shall prevail.

**FOR THE GOVERNMENT
OF THE REPUBLIC OF INDIA**

**FOR THE ROYAL
GOVERNMENT OF BHUTAN**

**(KAMAL NATH)
MINISTER OF COMMERCE
AND INDUSTRY**

**(LYONPO YESHEY ZIMBA)
MINISTER FOR TRADE AND
INDUSTRY**

Protocol to the Agreement on Trade, Commerce and Transit between the Government of the Republic of India and The Royal Government of Bhutan

With Reference to Article 1 of the Agreement

For the purpose of this Agreement, the term 'free trade and commerce' in Article I shall be understood to include within its scope sale of Bhutan lottery tickets in India and the sale of Indian Government or State lottery tickets in Bhutan, subject to the relevant laws which may be in force in the territories of the Kingdom of Bhutan and India, as the case may be.

With Reference to Article V of the Agreement

The following shall be exit/entry points in India for the imports into and exports from Bhutan for the duration of the Agreement:-

- | | | | |
|-----|--------------------|---|-------------------|
| 1. | Jaigaon | - | road route |
| 2. | Chamurchi | - | road route |
| 3. | Ulta Pani | - | road route |
| 4. | Hathisar (Gelephu) | - | road route |
| 5. | Darrange | - | road route |
| 6. | Kolkata | - | air & sea route |
| 7. | Haldia | - | sea route |
| 8. | Dhubri | - | riverine route |
| 9. | Raxaul | - | road & rail route |
| 10. | Panitanki | - | road route |
| 11. | Changrabandh | - | road route |
| 12. | New Delhi | - | air route |
| 13. | Mumbai | - | sea & air route |
| 14. | Chennai | - | sea & air route |
| 15. | Phulbari | - | road route |
| 16. | Dawki | - | road route |

- (i) These routes may be discontinued or new ones added by mutual agreement.
- (ii) All exports and imports of Bhutan to and from countries other than India shall be effectively monitored and supervised by the Royal Government of Bhutan.

Import Procedure

When goods are imported from third countries for Bhutan through India, the following procedure shall be observed at the Indian place of entry (hereinafter referred to as "Customs House"):-

- a) Clearance of goods imported for Bhutan shall be against Letter of Guarantee issued by the Royal Bhutan Customs/ Representative of the Royal Government of Bhutan.
- b) At the Customs House, the importer or his agent (hereinafter referred to as the "Importer") shall present the Letter of Guarantee in the prescribed form (Annexure I) in five copies. The last two columns pertaining to classification of goods and duty shall be completed by the Indian Customs.
- c) The Customs House shall ensure that the seals are intact in case of containerised goods and in case of non-containerised goods, after percentage check if necessary, goods may be sealed individually or the transport in which they are being carried be so sealed.
- d) The Customs House, after having satisfied with the procedures in Para C above, shall endorse all the copies of the Letter of Guarantee, The fourth copy shall be handed over to the importer. The fifth shall be sealed and handed over to the importer for passing on to the Indian Customs Officer at the exit point in India.
- e) On arrival of the goods at the Indo-Bhutan border, the importer shall present to the Indian Customs Officer, the goods as well as his copy of the Letter of Guarantee and the sealed copy for the Customs Officer. The Customs Officer shall compare the two copies and allow movement of goods into Bhutan after checking the seal. The fourth copy shall be returned to the importer after due endorsement and fifth copy sent to the Customs House.
- f). In case of imports not reaching their destination, the Customs officials of the two countries shall get in contact so as to trace the movement of the goods. In case the goods are found to have been diverted intentionally or purposely into India, the Indian Authorities would invoke the guarantee and get in touch with the Transit & Liaison Office/ Representative of the Royal Government of Bhutan in Kolkata to realize the Customs duties and other dues of the Government of the Republic of India.

Note:

Any cargo consigned to Bhutan arriving in Kolkata, Delhi, Mumbai and Chennai airports which has to move by surface transport through the territory of the Republic of India shall follow the import procedure as outlined in this Protocol.

Export Procedure

The Import Procedure detailed above shall apply *mutatis mutandis* for Bhutan's exports to third countries.

Movement of Goods from one Part of Bhutan to Another Through The Indian Territory

For the movement of goods including forestry products from one part of Bhutan to another through the Indian territories, the following procedure shall be observed:-

- a) The Bhutan Customs will issue a Transit Declaration in the prescribed form (Annexure II) to the owner of the goods or his agent. In the case of third country goods, the transit declaration would also carry an undertaking from the Customs authorities of Bhutan that the goods are meant for consumption in Bhutan only, and in cases of deflection, the laws of both Indian and Bhutan Customs would be applicable. Movement of goods, through India accompanied by the Transit Declaration shall not be subject to any sample checking by the Indian authorities except in cases where a specific information is made available to the Indian Customs authorities about consignment(s) carrying goods which are contraband in nature or contrary to the importability of those in any manner. These goods will be examined by Indian customs while transiting through India,
- b) At the entry point in India, the Transit Declaration pertaining to goods of third country origin shall be presented to the Indian customs who shall endorse and return it to the owner or his agent and allow movement of goods.
- c) The Transit Declaration shall be deposited with the Bhutan Customs Officials at the point of re-entry into Bhutan who shall release the goods after inspecting the same.

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Annexure - I

LETTER OF GUARANTEE

On behalf of the Royal Government of Bhutan, we confirm that the goods imported by M/s.....with the following details are imports of Bhutan and shall not be diverted en route or retained in India:

Bill of Lading Number	Marks and no. of packages	Qty. and brief description of goods	CIF or transacted value	Classification of *major goods under the Indian Customs Tariff (CTC)	Duty involved

In the event of less of goods or goods not crossing the Indian border due to intentional diversion, we undertake to realise the customs duties and other duties and other dues leviable on the goods when imported into India.

If, however, goods are delayed or lost in India due to reasons such as accidents, hijacking, robbery, dacoity, breakdown of the carrier, strikes and natural calamities, we undertake to notify the Indian Customs promptly and seek necessary extension of time period or exemption of customs duty as the case may be.

Place:

Date:

Signature

On behalf of the Royal Government of Bhutan

Name & designation:

Seal

Endorsement by the Customs House

Endorsement by the Indian Customs Officer at the exit point in India

*in case of importation of more than five items, only the major items may be classified.

Annexure - II

**Department of Revenue & Customs
Royal Government of Bhutan
Transit Declaration**

(for movement of goods including forestry products from Bhutan to Bhutan through Indian territories)

Agent: Declaration No.:
 Exit Point: Date of exit: Entry point:
 Date of entry:
 Transporter: Vehicle No.:
 Challan No.: Date:
 No of packages: Gross weight (kg):

Consignor's name & code	Consignee's name & code	Invoice No.	Date	Brief description of goods	Value in Nu/Rs.

I/we declare that information given on this declaration and attached documents are true and correct. In case the declaration is found to be incorrect, I/we shall be liable for fines, penalties & prosecution as per the Sales Tax, Customs & Excise Act 2000.

Signature of consignor/driver: Date:

Physical verification (at exit point in Bhutan):
 Physical verification (at entry point in Bhutan):

(Undertaking to be signed by the Royal Bhutan Customs in case of goods of third country origin):

The consignment consists of goods of third country origin meant for consumption in Bhutan.

Signature

109. Agreement between The Government of the Republic of India and the Royal Government of Bhutan Concerning Cooperation in the Field of Hydroelectric Power.

New Delhi, July 28, 2006.

The Government of India and the Royal Government of Bhutan,

bearing in mind the friendly relations existing between the two countries and their peoples;

Recognizing that the cooperation the two countries have developed in the hydropower sector is capable of contributing greatly to the economic growth and to the greater welfare of the two countries;

Recognizing the need for energy security of their respective countries:

Being desirous of achieving the development of hydropower in the Kingdom of Bhutan in a manner that will make a lasting contribution to the economic development of both countries;

Recognizing that desirable benefits to their countries can be secured by cooperative measures for hydroelectric power generation; and

Realizing the need to accelerate construction of hydropower plants

HAVE AGREED AS FOLLOWS:

ARTICLE - 1

The Government of India and the Royal Government of Bhutan agree to facilitate, encourage and promote the development and construction of hydropower projects and associated transmission systems as well as trade in electricity between the two countries, both through public and private sector participation.

ARTICLE - 2

For projects to be implemented jointly by the two Governments through joint ventures or government owned agencies, a suitably empowered joint group would be set up to facilitate identification of projects, preparation of Detailed Project Reports (DPRs) and selection of agencies for speedy implementation of projects. The Government of India agrees to a minimum import of 5000 MW electricity from Bhutan by the year 2020.

ARTICLE - 3

The development of projects would be governed by project implementation and power purchase agreements. The parties entering into such agreements shall mutually determine the terms and conditions of such agreements including implementation, the quantum and parameters of supply, the points of delivery and the price of supply of electrical power.

ARTICLE - 4

The parties entering into such agreements shall be accorded all necessary assistance by the respective Governments, in accordance with the laws and regulations of the respective countries, for conduct of surveys including field investigations and for construction, installation, operation and maintenance of facilities required for generation, transmission, and sale of power in the territories of their respective countries.

ARTICLE - 5

The parties entering into such agreements shall be granted all the incentives and concessions by the respective Governments, available under relevant laws, policies and regulations of the respective countries, for generation and transmission of power.

ARTICLE - 6

The parties entering into such agreements shall fulfill all necessary requirements stipulated in relevant laws and regulations and shall also comply with necessary technical requirements of the respective countries.

ARTICLE - 7

Power exchange between the two countries shall play an important role to ensure energy security. In this respect, India shall continue to supply power to Bhutan in the event of any shortfall of power supply in Bhutan through various arrangements and delivery points mutually agreed upon.

ARTICLE - 8

The two countries shall cooperate in the development of renewable energy and both countries shall support each other to develop projects under the Clean Development Mechanism of the Kyoto Protocol, using India's carbon emission baseline, and any other international mechanisms that may come into force to encourage renewable energy.

ARTICLE - 9

For the construction and operation of hydro projects in Bhutan by public sector and government owned agencies, India shall facilitate the availing of facilities including financing from various financial institutions in India and deployment of human resources as may be desired by Bhutan.

ARTICLE - 10

Any differences regarding interpretation and application of this Agreement shall be resolved by mutual consultations between the two Governments.

ARTICLE - 11

This Agreement shall come into force on the date of signing of this Agreement. It shall remain valid for a period of sixty (60) years from the date of its coming into force and its validity may be extended by mutual consent. The provisions of this Agreement shall be reviewed after an interval of ten (10) years or earlier as required by either Government and shall be amended by mutual consent. Either party desirous of terminating this Agreement shall provide a minimum of one (1) year prior notice.

ARTICLE - 12

The quantum of electricity to be imported from Bhutan shall be appropriately enhanced as required during the review period.

In WITNESS WHEREOF the undersigned, duly authorized by their respective Governments have signed this agreement at New Delhi this the Twenty Eighth Day of July, Two Thousand and Six, in two (2) original copies in Hindi, Dzongkha and English and all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA**

**FOR THE ROYAL GOVERNMENT
OF BHUTAN**

**(Sushil Kumar Shinde)
Minister of Power**

**(Lyonpo Yeshey Zimba)
Minister of Trade & Industry**

F F F F F

110. Protocol to the Agreement between the Government of the Republic of India and the Royal Government of Bhutan regarding the Tala Hydroelectric Project.

New Delhi, July 28, 2006.

The Government of the Republic of India and the Royal Government of Bhutan, (hereinafter called the 'Parties');

Bearing in mind the friendly relations subsisting between the two countries and their peoples and working to strengthen the same;

Noting the provisions of Article 9 of the Inter-Governmental Agreement pertaining to the Tala Hydroelectric Project dated March 5, 1996 with regard to establishing the rate at which Tala power will be sold to India;

Recalling that currently the PTC India Ltd. (PTC) and the Department of Energy (DOE) are the designated nodal agencies in India and Bhutan respectively for inter-country transfer of power.

Have agreed, in pursuance of the said Agreement as follows:

- (1) The tariff for both primary and secondary energy shall be Rs. 1.80 per unit with effect from the date of commercial operation of Tala Hydroelectric project.
- (2) Review of the aforementioned tariffs shall be undertaken between the two governments and the review will be carried out as per frequency and on the basis as outlined below;
 - a) With respect to the provision in the Tala Agreement of 1996 pertaining to review every three years, it is hereby agreed that in the event the expenditure for Operations & Maintenance (O&M) exceeds 1.5% of the total cost to completion of the project escalated at 4% per annum, the same shall be reviewed and the excess expenditure compensated through suitable adjustment in tariff,
 - b) In case of any unforeseen event requiring excessive expenditure not covered by insurance, such unforeseen event would also be considered and provided for, through suitable adjustment.

- c) The tariff arrived at (1) above will be increased by 1.0% every five (5) years till (the loan is fully repaid and thereafter @ - 5% every five (5) years. However, since the loan liquidation will not necessarily fall in multiples of five (5) year period, it will be accordingly prorated to take into account the different increase rates.
- (3) Through this Protocol, the two governments hereby authorize the designated nodal agencies to enter into a Power Purchase Agreement (PPA) taking into account the contents of this Protocol.
- (4) The sale of surplus power from Tala project to India within the scope of the 1996 Agreement, this protocol and subsequent PPA between the designated, nodal agencies, shall be valid for a period of thirty five (35) years. The two governments may agree to extend the Agreement by mutual consent for which a new PPA will be negotiated.
- (5) All other provisions of the March 5, 1996 Inter-Governmental Agreement between the Government of the Republic of India and the Royal Government of Bhutan regarding the Tala Hydroelectric Project shall remain unchanged.

IN WITNESS WHEREOF, the Parties have caused to be subscribed thereto signatures of their duly **authorized** representatives.

Written in English language in New Delhi and **signed** on the Twenty Eighth Day of July, Two Thousand and Six.

**FOR THE GOVERNMENT
OF THE REPUBLIC OF INDIA**

**(Sushil Kumar Shinde)
Minister of Power**

**FOR THE ROYAL
GOVERNMENT OF BHUTAN**

**(Lyonpo Yeshey Zimba)
Minister Trade & Industry**

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MALDIVES

111. Press Release of the Ministry of Defence re: gift of a ship to Maldives.

New Delhi, April 16, 2006.

The Defence Minister, Mr Pranab Mukherjee, handed over a fast patrol craft, INS Tillanchang, rechristened 'HURAWEE', to the Coast Guard of Maldivian Security Service. The formal transfer took place today, at a glittering ceremony held in the port city of Male – the Maldivian capital.

Speaking on the occasion, Mr Mukherjee stressed the “deep and enduring “relationship” that the two countries have enjoyed and that is growing from strength to strength over the years. The Defence Minister said, “the two countries have common perception on global issues of mutual concern. The prompt transfer of the patrol vessel, after the request was received from the Maldivian government, is just another manifestation of how much we value our relationship with them. “India was willing to extend any assistance that would promote peace and security in the Indian Ocean region, a prime prerequisite for ushering development and prosperity in this part of the world”, Mr. Mukherjee added.

INS Tillanchang, named after an island in the Nicobar group, has been built by Garden Reach Shipbuilders and Engineers, Kolkata. The ship was commissioned in 2001 and has rendered yeoman service to the Indian Navy, while based at Port Blair in the tri-services Andaman and Nicobar command. The craft is capable of attaining a top speed of 26 knots and has an endurance of over 7 days, covering a distance of approximately 2000 nautical miles. The ship will primarily be used for patrolling, policing and search and rescue missions in the vast areas of sea around the Maldivian chain of islands, considerably enhancing their capability against illegal poaching and drug trafficking.

The handing over ceremony was attended by a host of dignitaries, which included the President of Maldives Mr Abdul Gayoom, the Defence Minister Mr Ismail Shaifeeu, the Foreign Minister Mr Abdul Shaheed, top officials from the Indian Ministry of Defence and Indian Navy and members of the diplomatic corps.

The Defence Minister of Maldives lauded the role of Indian government in despatching ships with relief supplies with “promptness and

alacrity” to provide immediate succour to the affected people in the aftermath of the devastating tsunami in December 2004. ‘The role of the Indian government in launching Operation Cactus in December 1988 was a defining moment in the relationship between the two countries and a landmark event in the history of their nation’, he said.

After the ceremony, Mr Mukherjee called on the President of Maldives and held high- level interactions with the Defence and Foreign Ministers of Maldives, which “reiterated firm commitment of both the countries to the development of privileged partnership”.

Later, at a joint press conference with the Indian Defence Minister, the Maldivian Foreign Minister, Dr. Shaheed said that Maldives had a ‘very, very strong friendship with India’. In fact, cooperation with India is the lynchpin of our external relationship,” he added. Maldives is an important member and partner of the Indian Ocean region and strategically located astride the vital sea-lanes of communication in this part of the world. India’s mutually beneficial relationship with the Republic of Maldives will not only secure its vital interests in the region, but also reinvigorate ties with a key member of South Asian Association for Regional Cooperation (SAARC).

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112. Press Release of the Ministry of Defence on the Defence Minister’s visit to Maldives.

New Delhi, April 17, 2006.

India and Maldives have decided to develop “a privileged partnership” between the two countries. Addressing a joint press conference with the Maldivian Foreign Minister Dr. Ahmad Shaheed in Male a short while before departing for home at the end of his two-day visit to the Island country yesterday, the Defence Minister Shri Pranab Mukherjee said that India would like “to maintain and consolidate its close links and trust with Maldives and to be of assistance, wherever and whenever we can, with our friends”. Describing Maldives as an important member and partner of the Indian Ocean Region, Shri Mukherjee said that India’s mutually beneficial relationship with the Republic of Maldives will not only secure its vital interests in the region, but also reinvigorate our ties with a key member of

the South Asian Association for Regional Cooperation (SAARC). He reiterated New Delhi's desire to strengthen relations with Maldives "on the basis of equality and respect so as to elevate them to an ever high level".

Earlier, in the day, India handed over the INS Tillanchang to the Maldives National Security Service Coast Guard at an impressive ceremony held in the port city of Male – the capital of Maldives. With a gentle breeze blowing from the Indian Ocean, on an otherwise sultry morning, the Indian ensign was hauled down for the last time from INS Tillanchang. The Indian crew disembarked from the ship and the Maldivian crew took charge. The Maldivian National flag was hauled up and the ship was rechristened "Huravee" after a Maldivian hero and a freedom fighter. A galaxy of dignitaries of Maldives including the President Maumoon Abdul Gayoom, Minister of Defence and National Security Mr Ismail Shaifeeu, Foreign Minister Dr Ahmad Shaheed attend the ceremony. The Indian side was led by the Defence Minister Shri Pranab Mukherjee. Others who attended the function included the Indian High Commissioner Shri AK Pande, Chairman and Managing Director of Garden Reach Shipbuilders and Engineers Rear Admiral TS Ganeshan, senior officials from the Ministry of Defence and Indian Navy. Speaking on the occasion Shri Mukherjee described the event as a "truly landmark and historic one" and announced that the Indian Navy will assist the National Security Service in the maintenance and up keep of this patrol craft during her lifetime.

Named after one of the islands of the Andaman and Nicobar chain, the INS Tillanchang, built by Defence Public Sector Undertaking, Garden Reach Shipbuilders and Engineers (GRSE), Kolkata was inducted into the Indian Navy five years ago. The 260 tonne Trinkat class fast attack craft INS Tillanchang is fitted with state-of-the-art navigation aids, communication and GMDSS Systems, which facilitate her role-worthiness and effectiveness in operational missions, air operations, safe navigation and survival at sea. The main armament is the indigenous 30 mm gun, manufactured by Ordnance factory Medak. Two high speed boats have been provided onboard for facilitating rapid interception in shallow waters and lifesaving tasks. Powered by MTU engines of German make it has a maximum speeds of 28 knots and is capable of extended deployment up to 2000 nautical miles. The ship is also capable of mobilizing a naval Quick Reaction Team of up to 35 men at short notice.

The ship will primarily be used for patrolling, policing and search and rescue missions in the vast areas of sea around Maldivian chain of

islands, considerably enhancing their capability against illegal poaching and drug trafficking.

Speaking on the occasion, the Minister of Defence and National Security of Maldives Mr. Ismail Shaifeeu lauded the role of Indian government in dispatching ships with relief supplies with “promptness and alacrity” to provide immediate succour to the affected people in the aftermath of the devastating tsunami in December 2004. ‘The role of the Indian Government in launching Operation Cactus in December 1988 was a defining moment in the relationship between the two countries and a landmark event in the history of their nation’, he said.

Later in the day, Shri Mukherjee called on the President of Maldives and held high level interactions with the Defence and Foreign Minister of Maldives.

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NEPAL

113. Response of Official Spokesperson to a question on the withdrawal of ceasefire by the Maoists in Nepal.

New Delhi, January 2, 2006.

In response to a question on the withdrawal of ceasefire by the Maoists in Nepal the Official Spokesperson said: “This is an unfortunate decision. We have consistently called upon the Maoists to abandon the path of violence and terror, accept the discipline of multi-party democracy, and work for a political settlement that contributes to the political stability and economic prosperity of Nepal.”

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* On 2nd January the Maoists ended their unilateral four-month old cease-fire. They said: “we want to make it clear our future action will be targeted against the autocratic regime. We are compelled to go on offensive not only for the sake of peace and democracy but for the sake of self-defence.” The Royal Army was ambivalent about the announcement. “The Army’s position has not changed whether there is a ceasefire or not, we are acting on the government’s mandate. The army will continue to do its duty,” a senior army officer said.

114. Response of Official Spokesperson to a question on developments in Nepal.

New Delhi, January 19, 2006.

We are receiving reports from Nepal about the arrest of leaders of political parties as well as human rights and civil society activists. We are also aware of the latest measures announced by His Majesty's Government of Nepal curbing political activity in Kathmandu and other cities¹.

These actions of His Majesty's Government of Nepal are regrettable and a matter of grave concern to all those who wish to see the constitutional forces in Nepal working together to achieve peace and stability in the country.

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1. India was deeply concerned about these developed and the Prime Minister expressed the view that peace and stability in Nepal was vital to India for more than one reason. "Nepal is a flourishing democracy and all concerned should work to realize these goals." Bringing back peace in the Kingdom was a step-by-step process and the King should have meaningful negotiations with political outfits interested in preserving democracy. But the King remained uncompromising. In view of the uncompromising attitude of the King to the political process, advocated by India, New Delhi felt compelled to continue with the ban on arms supply to Nepal. Indian Ambassador in Kathmandu told the local Kantipur TV channel on January 9, that "the Army was being used for arrests and detention, raids on media and other various acts which are not the task of a professional army...Let us not forget that India is a democracy and it has political compulsions. We could hardly go for training and equipping an Army that is not confined to protecting the state. That is why we cut off lethal supplies." He added: "What we don't agree with is a monarchy that is a political player competing for power with the political parties. That role belongs to multi-party democracy, to the political parties and representatives elected by the people." Meanwhile, expressing "dismay" over the arrest of political activists in Nepal ahead of a political rally, UN Secretary General, Kofi Annan called for initiation of an inclusive national dialogue to resolve the issues facing the country. On January 19 the Security forces detained 107 activists and political leaders and cut mobile telephone services in a crackdown condemned by India, US, the EU and Japan. More detentions took place the next day.

115. Press Release of the Ministry of External Affairs on the Statement by Official Spokesperson on the municipal elections held in Nepal on February 8.

New Delhi, February 9, 2006.

We have seen the information provided by the Election Commission of Nepal on the conduct of the elections to the municipalities in Nepal.

The fact is that the elections have been held against the backdrop of a boycott by the major recognized political parties, sharp curtailment of their legitimate activities, and continued arrest and detention in various forms of many of their leaders. The Maoists have engaged in several violent attacks in the run up to the elections.

We are of the view that the grave challenges facing Nepal demand the initiation of a genuine process of national reconciliation, dialogue and participation which can facilitate a peaceful political settlement. Any credible electoral exercise should have the active involvement and participation of all the mainstream parties. Only then would such elections be able to contribute to the restoration of democracy and political stability

As a close and friendly neighbour of Nepal, India wishes to see an early return to peace, stability and development in Nepal.

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116. Letters Exchanged between India and Nepal for the extension of the Treaty of Transit signed on January 6, 1999.

Kathmandu, March 30, 2006.

H.E. Bharat Bahadur Thapa,
Secretary,
Ministry of Industry, Commerce and Supplies,
His Majesty's Government of Nepal,
Kathmandu, Nepal.
Excellency,

I have the honour to state that our two Governments have completed the review of the Protocol and Memorandum to the Treaty of Transit between the Government of the Republic of India and His Majesty's Government of Nepal, in accordance with Article XI of the Treaty. Following the review, the Treaty signed on 6th January 1999 and in force until 5th January, is extended for a period of seven years until 5th January 2013,

Amendments in the Protocol and Memorandum to the Treaty agreed to by the two sides are contained in the Annexures 1 – 3 to this letter and shall constitute an integral part of the Treaty.

Transit facilities through Phulbari route and Radhikarpur route relating to Nepalese trade with and through Bangladesh would continue to be governed by the terms of existing separate arrangements concluded between the two governments.

I shall be grateful if you could kindly confirm¹ that the foregoing correctly sets out the understanding reached between our two Governments.

Please accept, Excellency, the assurances of my highest consideration.

(S. N. Menon)
Commerce Secretary, Government of India

1. This was confirmed by the Nepalese Commerce Secretary on the same day.

ANNEXURE – 1

Agenda 2: Designation of the routes for sensitive goods

In the Protocol to the Treaty, under Section II, paragraph 4, after sub-paragraph (a), insert a new sub-paragraph (b)

Goods declared sensitive for foreign trade by Government of India from time to time with prior intimation to His Majesty's Government of Nepal, shall be permitted transit on the following routes:

- 1) Kolkata – Naxalbari (Panitanki),
- 2) Kolkata – Jogbani,
- 3) Kolkata - Raxaul,
- 4) Kolkata – Raxaul – ICD Birgunj,
- 5) Kolkata – Nautanwa (Sunauli),
- 6) Kolkata – Nepalgunj Road,
- 7) Kolkata – Banbasa.

The existing sub-paragraph (b) will be re-designated as sub-paragraph (b1) and shall read as follows:

Sensitive goods shall be permitted transit by marine container or pilfer-proof container trucks or railway wagons at the option of the importer/ exporter.

ANNEXURE – 2

Agenda 3: Linkage with Rail Services Agreement

In the Protocol to the Treaty, insert a note under Section II, Paragraph 1, under the words "Note: Kolkata shall include Haldia".

Note:

- (i) Kolkata – Raxaul route also includes movement of goods-in-transit by direct train services from Calcutta/Haldia Ports to Birgunj in Nepal via Raxaul.
- (ii) The operation of rail services between Kolkata/Haldia Ports and Birgunj in Nepal would continue to be governed by the India – Nepal Rail Services Agreement, while transit of goods shall be governed by the Treaty of Transit.

Procedure for Customs examination and clearance for goods on this route are annexed to the Rail Services Agreement and are also set out in Memorandum.

ANNEXURE 3

In the Protocol to the Treaty in Paragraph 1 and (l) covered accommodation delete the following:

'A' shed Kidderpore Docks –Covering approximately 3135 Sq.metres
(including 'A' Annex)
Calcutta Jety Shed No. 8 Ground Floor.

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117. Letters of Exchange between India and Nepal to provide for the transit of Indian goods from one part of India to another through Nepal.

Kathmandu, March 30, 2006.

Excellency, Consequent upon the understanding reached between His Majesty's Government of Nepal and the Government of India and in the course of the meeting to review the Treaty of Transit between Nepal and India, it was agreed that Nepal shall accord on a reciprocal basis freedom of movement of the Indian goods from one part of India to another through Nepalese territory by inserting a new provision which runs as follows:

“In keeping with provisions of Treaty of Transit between Nepal and India, it was agreed that for the movement of goods and Indian vehicles from one part of India to another through Nepalese territory, the procedure prescribed for export of goods from Nepal to third countries shall apply *mutates mutandis* except that there will be no cash deposit or bond system upon the necessary undertaking given by the Indian customs authorities. Further, as regards the movement of baggage accompanying a person traveling from one part of India to another through Nepalese territory, His Majesty's Government of Nepal shall prescribe a simplified procedure in respect of such articles of baggage as His Majesty's Government of Nepal may specify as being likely to be retained in Nepal having regard to the differences in prices in India and Nepal and other relevant factors. For other articles of baggage accompanying a passenger, movement shall be freely allowed.”

I shall be grateful if you could kindly confirm¹ that the forgoing correctly sets out the understanding reached between our two Governments.

Bharat Bahadur Thapa
Secretary

Ministry of Industry, Commerce, Supplies
His Majesty's Government of Nepal

H.E. Mr. S. N. Menon
Commerce Secretary
Government of India, New Delhi, 110011.

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1. This was confirmed by the Indian Commerce Secretary the same day.

118. Response of Official Spokesperson to questions on developments in Nepal.

New Delhi, April 6, 2006.

The situation is an evolving one. For the present let me only say that we are concerned over the arrests and detention, once again, of several political leaders, professionals and students which we strongly deplore. These actions by the government in Nepal are counter-productive. There needs to be cooperation among the constitutional forces in Nepal, not confrontation. We urge the immediate release of those arrested and a return to the path of dialogue and reconciliation.

Earlier in response to another question on Maoist violence in Nepal on April 5 the Official Spokesperson had said:

We condemn acts of violence by the Maoists, including last night's attack at Malangawa in Sarlahi district. We are awaiting full details.

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119. Response of Official Spokesperson to questions on Nepal.

New Delhi, April 12, 2006.

“We are deeply concerned over the turn of events which have undermined political stability and have also seriously affected the economy of Nepal. It has always been our view that the current crisis in Nepal can only be resolved through a genuine process of dialogue and reconciliation. The resort to repressive measures by the government in Nepal can only undermine prospects for this process. We hope that in view of the seriousness of the situation, a genuine effort will be made by His Majesty’s Government of Nepal to initiate a dialogue with the political parties at the earliest.”

In response to another question on recent violence by the Maoists in Nepal the Official Spokesperson said:

“India has always been of the view that a purely military solution to the current political crisis is not feasible and that all parties concerned must seek a political solution which is based on the principle of multi-party democracy. The Maoist movement must abandon the use of violence as a political instrument and commit itself to the principles of democracy thereby creating conditions for joining the political mainstream.”

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120. Media Briefing by Official Spokesperson on the meeting of Indian Ambassador with the King of Nepal.

New Delhi, April 17, 2006.

Question: Any reaction to what is happening in Nepal? Yesterday what happened when our Ambassador met the King?

Official Spokesperson: The Ambassador’s meeting with the King was part of a continuing interaction with the Government of Nepal. Naturally, the current political situation was discussed and our concern over the situation as well as the need for an immediate initiation of a dialogue between the Government of Nepal and the political parties was underlined by the Ambassador.

Question: Who took the initiative for yesterday's meeting in Nepal? Has there been any follow up by the King on the issue of dialogue with the political parties?

Official Spokesperson: We do not know. We are monitoring the situation very closely. As you have reported already there was a meeting taken by the Prime Minister to review the developments in Nepal and we are monitoring the situation. We are saying what we have always said - that the political parties and the monarchy have to work together and take forward the process of reconciliation and dialogue and develop a national consensus.

Question: Did we ask the King to institute and all party government in Nepal. Do we believe that the King may abdicate?

Official Spokesperson: Let me answer part of the first part of your question, which is essentially that while I cannot go into the details of the meeting between our Ambassador and the King, we have stressed the need for an immediate initiation of dialogue between his government and the political parties.

Question: When you say the political parties and the monarchy work together in Nepal, does that include the Maoists too?

Official Spokesperson: The political parties are very well known political parties. It depends on who joins the political parties. If you join the political mainstream...

Question: India has said in the past that Maoists are terrorists. The December agreement that took place between the Maoists and the political parties of Nepal in India, does the Government of India have any facilitation...

Official Spokesperson: We have already issued a statement on that agreement¹. I refer you to our website.

Thank You.

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1. Please see document no. 162 (p. 532-33) in "India Foreign Relations-2005" Edited by A.S. Bhasin

121. Media Briefing on the visit of Special Envoy of the Prime Minister Dr. Karan Singh to Nepal.

New Delhi, April 18, 2006.

Official Spokesperson: Good evening. Dr. Karan Singh, Member of Parliament will be visiting Nepal as the Special Envoy of the Prime Minister from April 19, 2006 that is tomorrow. During his visit the Special Envoy is expected to receive an audience with His Majesty King Gyanendra Bir Bikram Shah Dev. He is also expected to meet political party leaders in Nepal.

Question: What message is he carrying?

Official Spokesperson: I do not have details about the message that the Special Envoy would be carrying.

Question: What is his brief actually?

Official Spokesperson: As you know the current political and economic situation that has developed in Nepal is a cause for concern for India. Special Envoy's visit is taking place in that background.

Question: Will the Foreign Secretary be there?

Official Spokesperson: The Foreign Secretary is expected to join Dr. Karan Singh in Kathmandu, yes.

Question: Is India going to press on a fixed time frame for the restoration of democracy?

Official Spokesperson: As I said I do not have the details of what message the Special Envoy will be carrying but as you know our position all along has been that there is a need for genuine dialogue between the constitutional forces in Nepal to overcome the crisis that that country is now facing. A solution to the problems of Nepal has to be found by the people of Nepal themselves through a political settlement but India is ready to support all efforts towards this end.

Question: But the political parties have been asking India to play a greater role. Is there any sort of reaction from the King himself?

Official Spokesperson: Well, you know we have been monitoring the process closely. Our Ambassador met His Majesty the King the other day on which we briefed you on, and now the Special Envoy is going.

Question: Is the Special Envoy related to the King?

Official Spokesperson: I do not want to get into these issues, let us stick to the policy issues.

Question: Are we advocating some sort of interim government...

Official Spokesperson: I have just told you what our position is. I have at the same time told you I do not have the details of the message he would be carrying.

Question: Mr. Sarna, do you have the names of the other political party leaders whom he would be meeting?

Official Spokesperson: No, at the moment I am not aware of the details of his other engagements. As they are worked out and confirmed, you will get to know.

Question: How long will he be there?

Official Spokesperson: The visit begins tomorrow. As you can see I have not given you any time and date of the audience. So, he will stay till that at least and his other engagements.

Question: You say that the solution in Nepal has to be found by the people of Nepal for a political settlement...

Official Spokesperson: peaceful political settlement...

Question: ...yes, would India prefer that the elections, which as announced by the King next year, be held sooner rather than later?

Official Spokesperson: You know, when I say that the solution has to be found by the people of Nepal themselves, it is not a question of India's preferences. As I am telling you, it is up to the people of Nepal themselves to find a solution that they feel meets the needs of reconciliation and general national consensus that is built up in that country towards a peaceful political settlement. India's role at this stage is to be standing ready to support all such attempts. Thank You.

122. Press Release issued by the Embassy of India in Kathmandu on the visit of Dr. Karan Singh, MP, Special Envoy of the Prime Minister to Nepal.

Kathmandu, April 20, 2006.

Dr. Karan Singh, Member of Parliament, paid a visit to Nepal as the Special Envoy of the Prime Minister of India from April 19-20, 2006. During his visit, the Special Envoy received an audience with His Majesty King Gyanendra Bir Bikram Shah Dev on Thursday, 20 April 2006 and held meetings with leaders of prominent political parties on 19 and 20 April. The visit of the Special Envoy took place in the backdrop of the current political developments in Nepal, which have been a cause of deep concern to India and other members of the international community.

In his interactions, the Special Envoy has stressed the need for genuine dialogue between the constitutional forces in Nepal, with the objective of urgently restoring multiparty democracy in the country in order to overcome the crisis that Nepal is faced with. He has conveyed India's readiness to support all efforts towards this end while emphasizing that a lasting solution to the problems of Nepal has to be found by the people of Nepal through a peaceful political process.

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123. Media Briefing by Official Spokesperson on the visit of Special Envoy to Nepal.

New Delhi, April 21, 2006.

Dr. Karan Singh, Special Envoy of the Prime Minister returned yesterday and today he has briefed the Prime Minister on the developments in Nepal and conveyed his assessment of the situation after the meetings that he has held with King Gyanendra, with other political leaders and with civil society leaders including Shri G.P. Koirala, Sher Bahadur Deuba, Madhav Nepal, and Surya Bahadur Thapa. It remains the considered view of Government of India that the situation in Nepal is continuing to deteriorate undermining the political stability and economic viability of that country. And it is our earnest hope that the process of dialogue and reconciliation will begin immediately in order to restore the political normalcy and begin the difficult task of economic recovery. So, this is the position at the moment.

As you know there has also been a meeting between the Indian Ambassador and King Gyanendra as a follow up to the visit of the Special Envoy. That is all I have.

Question: Some announcement...

Official Spokesperson: Well, we have seen some reports in the media that some announcement is expected. Let's wait and watch.

Question: The Special Envoy has been repeatedly saying that an announcement is to be made. Isn't it embarrassing for the Government of India that no announcement has been made and this has been happening in full public gaze?

Official Spokesperson: I do not see this in any case as any cause for embarrassment. I think the developments in Nepal, the situation in Nepal are a matter of concern for us. They are a matter of deep concern. The Special Envoy has been sent by the Prime Minister. He has conveyed the Prime Minister's message and he has come back and we have only seen these reports about this proposed announcement. So let's wait and watch, let's monitor the situation.

Question: What was the response of the King?

Official Spokesperson: I do not have that to share.

Question: Does India continue to believe that constitutional monarchy is one of the pillars in Nepal?

Official Spokesperson: Our position on Nepal is quite clear. We have said that all constitutional forces must come together in a process of dialogue and reconciliation.

Question: Would you consider the King to be constitutional...

Official Spokesperson: As I have said it is a very fast evolving situation. It is a very serious situation and it is for the people of Nepal to come up with a political and a peaceful and a lasting solution.

Question: But what would we want the King to do now precisely?

Official Spokesperson: I think you are now getting into repetition. I have told you yesterday the message we have conveyed. We have conveyed the message that there should be a return to multiparty democracy. We have conveyed that there should be a process of dialogue and reconciliation.

Question: The meeting of the Ambassador with the King was at our instance or...

Official Spokesperson: It was a follow up meeting to the meeting of

the Special Envoy. I exactly do not know how the message went by but obviously it was a meeting which was mutually convened.

Question: Any further readout on what happened?

Official Spokesperson: No, not at the moment. I do not have a readout on that.

Question: It seems that Nepal is moving towards anarchy. The movement is going stronger and stronger. Do we have any contingency plan?

Official Spokesperson: We would not like to get either panicky or speculative. I think the concerns that you mentioned are very valid and that is why we have been monitoring this very closely. That is why the Prime Minister had sent a Special Envoy. So, these concerns are quite valid.

Question: We have been saying in the past few weeks that the King should restore democracy urgently? How long will we wait?

Official Spokesperson: As I said let's wait and watch and let's monitor this closely. It is a matter which is with the people of Nepal. We stand ready to help them come back to the path of democracy and we have conveyed all our messages yesterday as well as today. Thank You

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124. Press Release of the Ministry of External Affairs on the statement of Nepalese King.

New Delhi, April 21, 2006.

We have seen the address to the Nation by His Majesty, King Gyanendra. India welcomes his intention to transfer all executive power of the State to a government constituted by the alliance of the seven political parties, which has been in the forefront of the movement by the people of Nepal for the restoration of multi-party democracy and their democratic freedoms. This action by His Majesty the King of Nepal, who has reaffirmed his commitment to multiparty democracy and constitutional monarchy, should now pave the way for the restoration of political stability and economic recovery of the country.

The people of Nepal have undergone acute suffering and economic hardship during the last several months, but have always kept their faith with democracy and freedom. They deserve our respect and admiration. We sincerely hope that the aspirations of the people of Nepal can now be

addressed by enabling them to enjoy their rights through a democratic electoral exercise free from the threat of violence.

India has stood by the people of Nepal in their hour of need and now stands ready to render all possible assistance to enable Nepal to achieve political stability and economic recovery at the earliest possible date.

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125. Press Briefing by Foreign Secretary Shyam Saran on Nepal.

New Delhi, April 22, 2006.

DIRECTOR (XP) (SHRI DINESH BHATIA): Good evening ladies and gentlemen. We have amongst us the Foreign Secretary Mr. Shyam Saran. May I request him to please begin.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Good evening to all of you. I thought it might be useful for me to just share with you our current assessment of the developments taking place in Nepal.

As you know, the situation has been evolving at a rather rapid rate. We would like to clarify for you how we look at the situation and also what has been our engagement with Nepal concerning these recent developments¹. Let me begin by drawing your attention to the fact that India has all along supported the restoration of multi-party democracy in Nepal and we have consistently supported the democratic forces.

1. The change in Government of India's policy towards Nepal was hinted at by the Prime Minister too in his answers to question in Hanover at his press conference. "Developments in Nepal are of vital concern to us", said the Prime Minister in response to a question about Nepal's political crisis and what India could do to resolve it. "Ever since February 2005, we have been concerned about the developments in Nepal which led to the removal of multi-party government." He explained that India's efforts had been to "persuade the King that restoration of a multi-party government is absolutely essential to deal with the crisis that has arisen." His special envoy last week "impressed upon the King the need to move quickly and fast enough to restore multi-party democracy and to hand overall executive power to that government. I think since then the political parties have been discussing among themselves how they can cooperate to carry forward this whole process." Earlier on way to Hanover Prime Minister gave hint of a slightly different approach. In a conversation with the journalists accompanying him on board the Air India flight he was asked certain questions to which he responded. These were:

Q: There has been a major development in Nepal. But on the streets the mood seems

You will recall that when on February 1, 2005, a state of emergency was declared and the then civilian Government was dismissed by His Majesty the King, we had condemned that action. You would recall that we had also taken the step of suspending arms supplies to Nepal. This was an expression of our support for the restoration of democracy. Since then, all these last several months, we have been very consistent in our support and the arms suspension has remained in force. Our consistent approach has been to try and persuade the constitutional forces in Nepal to work together in order to restore democracy, in order to bring about political stability as well as economic recovery in the country.

We have always felt that political power should be exercised by the representatives of the people, and it is for them to really decide what the future of Nepal is going to be. But we as a close neighbour of Nepal, as a country which has very very intimate cultural and ethnic links with this country, it has always been our wish to seek peace and prosperity in Nepal because stability in Nepal is in the best interests of India. We have also believed that democracy in Nepal is the best guarantee of such stability.

It is in pursuit of this approach that when the situation in recent weeks started deteriorating, the Prime Minister decided to send a Special Envoy, a very experienced political personage Dr. Karan Singh to Nepal. I was present with Dr. Karan Singh in Kathmandu a couple of days ago. We had meetings with the political party leaders. We conveyed to them our continuing support to the democratic aspirations of the people of

sour. The Government of India has come out with an endorsement of the King's action. Could you please give us an update of this?

Ans: Dr. Karan Singh went as my special envoy. He gave his assessment of the situation in Nepal to His Majesty. I think by and large whatever moves the King has made, they are in the right direction. The important thing is there should be the restoration of multi-party democracy, that there should be a government in place which exercises all executive powers. I think the process has begun.

Q: As for the demand for the revival of parliament, and further down the road, for the constitution of Constituent Assembly, the King has said nothing and in fact, seems to be against it.

Ans: Well our role is to ensure that all elements of the Nepali polity are talking to each other. We are not dictating to them. Our role is the role of a conciliator, to ensure that the democratic process is restored. Now I hope the King and the political parties will be talking about the future consequential steps.

Q: The future of the monarchy itself is up in the air. It's a question mark. Are we keeping our position open or do we stay with the old position—a constitutional monarchy and multi-party democracy?

Ans: So far our position has been that constitutional monarchy and multi-party democracy are the two pillars of Nepali polity. There is no change in that position.

Nepal. We also conveyed our admiration for the fact that the Seven Party Alliance had stood together united. We also expressed our appreciation and our admiration for the manner in which they had led the political movement for the restoration of democracy in Nepal. Our message when Dr. Karan Singh met His Majesty the King was to share with him our assessment of the situation, the groundswell of public opinion, groundswell of popular emotion in favour of the restoration of democracy. We asked His Majesty the King to take stock of the seriousness of the situation and take appropriate measures, make the appropriate gestures in order to ensure the restoration of multiparty democracy and to respond to the sentiments of the people.

In that context, I would like to mention that yesterday you would have seen the press statement which was made by our Spokesman on the proclamation made by His Majesty the King. The one aspect which we thought was very important was the aspect of the intention of His Majesty the King to transfer all executive authority to a Government which would be formed by the Seven Party Alliance under a leader of its own choosing. Having said that we of course realize that it is really up to the people of Nepal to decide in what manner this is to be brought about. We do not wish to be in a position to prescribe for Nepal, and to prescribe for the people of Nepal in what manner they would go about realizing their democratic aspirations.

We have stood by the people of Nepal in their movement for realizing their democratic aspirations. Yesterday you would have seen in our press release that we also stated that the people of Nepal deserve our respect and admiration for the manner in which through peaceful demonstrations they have given expression to their desire for multiparty democracy. That admiration is very much an expression also of the very close affinity that we feel for the people of Nepal. We have also pointed out in the statement that we are very conscious of the great hardship that the people of Nepal have been facing as a result of prolonged economic and political turmoil. We have also expressed our intention that in the task of restoring political stability and economic recovery, India would stand ready as always to extend all possible assistance and support to Nepal.

I would like draw attention to the fact that this morning there have been some reports that there was some dissatisfaction in certain quarters about India's stand and I think there was a misrepresentation of India's stand by some elements who are perhaps hostile to the very close and

friendly relations between India and Nepal. I would like to state here that these kind of sentiments which are being spread amongst people have absolutely no basis. There is no doubt of India's commitment to democracy in Nepal and to our support for the democratic forces in Nepal. I think this message should go very loud and clear to the people of Nepal.

I would like to mention that we have seen the press release issued by the alliance of the seven political parties today. They have had a high-level meeting of the alliance in the afternoon today. The press release has reiterated the agenda of the Seven Party Alliance. We, of course, support the view of the Alliance that restoration of peace and multiparty democracy in Nepal is the need of the hour. The Alliance of course has been in the forefront, as I said, of the peaceful movement for the restoration of multiparty democracy in Nepal. They have given expression to the aspirations of the people of Nepal for democratic values and freedom and we believe that the sentiments of the people of Nepal need to be respected.

We are very concerned about the situation in Nepal and we believe that there should be a constant review of the manner in which these developments continue in the coming days because we also believe that the economic situation in the country is deteriorating very rapidly. I would like to draw your attention to the fact that for the last several days there has been a long line of cargo vehicles and tankers which have been backed up on the Indian side of the border. It is our effort to see that as soon as conditions permit we would try and facilitate as much as possible the movement of cargo of essential commodities from the Indian side into Nepal because the shortages that are now beginning to appear in places like Kathmandu or in Pokhara, this would only increase the economic hardship that the people of Nepal are suffering. And it is always going to be our endeavour that our brothers and sisters in Nepal do not suffer because of the possible disruption of the supply of essential goods. So, even though because of the conditions in Nepal the cargo vehicles have been lined up on the Indian side we are trying our very best to see how we can facilitate the movement of essential goods so that the situation is not further exacerbated.

I think I will stop here. I would be very happy to take any questions from you.

QUESTION: *What the King has said was almost similar to what he announced a few days ago...What exactly you see the difference? What he said before he tried to present in the new bottle. He did not clarify when*

the elections will be held. Second question: what signals do you get from the Narayanhiti Palace? Did he appreciate the steps taken by India or has seen it as an interference?

FOREIGN SECRETARY: *We commented on the King's announcement. One of the main point was that the executive power should go to the Seven-Party Alliance; and they have the authority to elect their leader, the prime minister. What he has said now is somewhat different from what he said earlier; but as I said this has to be taken forward. It is up to the Seven-party Alliance and the people of Nepal to decide how to take it forward. It is not for India to suggest how to take it forward. Our comment was on principle; that the full executive power should not be in the hands of the King; that should be in the hands of the people. Our comment was on that principle; how this principle is put into force , is a mechanism which the people themselves have to think and implement it. As for as Indian cooperation is concerned there is nothing interference in that. Nepal is very close neighbour of India. What ever happens in Nepal, will have impact on India.*

QUESTION: *IS the Nepal King also believes in that...that it is not interference?*

FOREIGN SECRETARY: *We have not discussed with him whether there is Indian interference or not. Our special envoy gave our assessment to him as a good neighbour, as to how we perceive the developments that are changing the atmosphere. We also told him that if early steps were not taken it is possible that the situation in Nepal can further deteriorate. We also told him that the principles of democracy; the democratic values and advised him that it was very necessary to respect the demand for democracy being made by the people of Nepal. I don't think this can be taken as an interference.*

QUESTION: *You referred to the groundswell and the reality there. How come there was a mismatch between India's assessment and what the parties involved in the movement have said because all of them have rejected the King's proposal yesterday?*

FOREIGN SECRETARY: *I think you should be careful not to take India's statement yesterday as an acceptance of this or rejection of that proposal. As I said, what we tried to put across in the statement yesterday was that the principle that power should be handed over by the monarchy to the people of Nepal, that particular principle the King in his statement, in*

his proclamation, appears to have conceded. How that is to be taken forward in terms of the actual formation of a Government with all the full executive authority, how the process of democratization would be carried forward, this is really for the people of Nepal to decide. In this regard we will respect the decisions of the people of Nepal.

QUESTION: The way India responded to King's announcement, the people of Nepal are raising anti-India slogans. They are not accepting it in a general manner.

FOREIGN SECRETARY: I do not think that it is the people of Nepal who have rejected or responded negatively to what India has said. I think there have been certain sections or certain elements who have deliberately distorted the implication of what India has said. We have been and continue to be firmly on the side of democratic forces in Nepal. There should be no ambiguity about that.

Our reaction to His Majesty's statement yesterday was to welcome the principle that full executive authority would be handed over to where it belongs, that is, to the people of Nepal. If you look at the rest of the statement which was made yesterday I think it would be very clear. We have expressed our deep admiration for the people of Nepal for the manner in which they have upheld their faith in democracy, their faith in the realization of their own democratic rights. So, there should not be any room for any ambiguity about India's stand. After all, as I mentioned to you, right from February 1, 2005, India has taken a very clear-cut stand with regard to the restoration of democracy. How can there be any question about India's stand? We were the first to stop the supply of arms to Nepal. We persuaded our other international partners to join us in the same action. So, it is we who have in fact gathered together the international community also to work together with us for the restoration of democracy in Nepal. How can there be any doubts about India's credentials in this regard?

QUESTION: As the demonstrations are going on in Nepal, if in a situation they throw out the King and if the King asks for political asylum from the Indian Government, will the Indian Government provide the political asylum to the King or not?

FOREIGN SECRETARY: I think you are asking a hypothetical question to which I do not think a response is necessary at this point of time.

QUESTION: *Sir, you said India will not interfere there. But what you*

are saying is that what announcement the seven-party alliance has made, he should accept. On the other hand when the seven-party alliance has rejected it how far can we support constitutional monarchy?

FOREIGN SECRETARY: *We believe that the people of Nepal should decide the future of Nepal. It is not our right to say how you constitute the government. It is not the right of India in Nepal to suggest what type of government they have there. But this is certainly our duty as a close neighbour to take note of the delicate situation created in Nepal, it can result in impacting us. We have to review this all the time. Our support for democracy has been consistent in Nepal; we do not regard that interference in any way.*

Third thing that you said that the seven-party alliance has rejected the offer made by the King. As far as I see, they said that the seven-party alliance government; they want it to be through the restoration of parliament. They have their own road map. It should be fully authorized government and how it is formed that the people of Nepal will decide. We have our own principle, and that is the principle of the political parties, that is the principle of the people as well, that the political power should come from the King to the hands of the people. On this principle there is no difference of opinion among us, the political parties or the people of Nepal. It is in the hands of Nepali people what type of executive government is formed, what is the road map; what should be its road map etc. we cannot take a decision on that. We want to give this message that it is in the hands of the people of Nepal how they want to make their future, want to revert to democracy...India will respect the wishes of the people of Nepal.

QUESTION: Foreign Secretary, you are saying that you support the views of Seven Party Alliance in restoring democracy yet you do not want to get involved in the mechanism. If the Seven Party Alliance says that it wants not only the executive power, state power, will you support any mechanism that the Alliance will put forward? What is your view on that the King is actually playing games by offering the post of Prime Minister to the Seven Party Alliance because they would not be able to name one?

FOREIGN SECRETARY: I think what you should really be looking at is the response from the parties that what the King has said is not enough. So, more needs to be done. But in terms of that particular principle that power should go from the monarchy to the people, I do not think there is any difference of opinion as far as India is concerned, as far as the

international community is concerned - you have seen the statements by several friendly countries – or as far as the political parties are concerned. So, we have very consciously avoided getting involved in details of what needs to be done and what need not be done in terms of measures. We have always stood by a certain principle and that principle is the restoration of multiparty democracy in Nepal. If there is a sense amongst the political parties that the King perhaps cannot be trusted, or that he needs to do more in order to display his good faith, that is the viewpoint of the political parties. As I said, we will confine ourselves to continuing to offer our full support for the restoration of democracy in Nepal and let the people of Nepal decide how they want to go about it.

QUESTION: What if protests continue, violence continues and things snowball?

FOREIGN SECRETARY: This is why we have been so concerned because if the demonstrations continue, if the agitation continues we are also concerned about the possibility of violence. If there is violence, there is disruption of life not only in the valley but in the other parts of the country. I just mentioned to you the tremendous economic hardship which is appearing because of the disruption of supplies. All these things are matters of major worry for us. So, certainly our desire is to see that there should be an early restoration of political stability and economic recovery in the country. It is in the best interests of Nepal and it just so happens to be in the best interest of India as well.

QUESTION: I am a Nepali. I know very well what is happening in Nepal. I would like to know if you would resume the military assistance to Nepal in this period?

FOREIGN SECRETARY: We are not looking at this sort of question at this point of time. At this point of time the first order of business is for political stability and economic recovery to be established in Nepal. We would also hope, we have always said this, that with regard to the armed conflict in Nepal, there is no purely military solution. We have to find a political solution. Therefore, if there are negotiations through which the Maoists can be brought into the political mainstream, but on the basis of the principles of multiparty democracy and on the clear abandonment of violence as a political tool, I think this is something that should be welcomed.

QUESTION: Has the Government of India been in touch with any of the SPA leaders today or with the Palace today?

FOREIGN SECRETARY: We have been in touch with a very wide section of people in Nepal since quite some time and today as well.

QUESTION: And with the Palace?

FOREIGN SECRETARY: Yes.

QUESTION: *Sir, The SPA leaders are talking in terms of Constituent Assembly and constituting a parallel government, and their comments, the manner in which they have reacted and the manner in which India appears to have reacted to this, would you say that in terms of the principle regarding the transfer of political power, that condition has been met? The people there on the ground, the SPA leaders, do not seem to believe that this by itself is enough for them to give up their protest. That is the core issue. How to address it? You feel the Nepal King has to do something more than what he has already done and that could be necessary for the SPA to accept it and then the consequent restoration of normalcy in Nepal? Do you buy this argument?*

FOREIGN SECRETARY: *As far as the question of constituent assembly is concerned, the meeting of the SPA took place today. There was a press release: if you see the road map they have given they have said in that— “The joint movement of the Seven Party Alliance is being conducted for restoration of Parliament and constituting an all-party Government and on the basis of its decisions, dialogue with the Maoists, and on the basis of the agreement arrived through that dialogue, elections to the constituent assembly...” So the talk of constituent assembly they have mentioned, it is part and parcel of a certain road-map. And the constituent assembly, as far as I could understand from the statement, is something that will emerge through peace negotiations with the Maoists. So, this is their roadmap. I have no comment on this.*

So, as I mentioned to you, we are not going to start prescribing the manner in which they should go about with the further evolution of the political process. Now, as far as whether or not the concessions made by His Majesty the King are enough, really the situation is evolving very rapidly. There is no doubt that at the end of the day the sentiments of the people of Nepal and their desire for the early restoration of democracy and democratic values is something that everyone will have to respect - the political parties will have to respect; I think the institution of monarchy will have to respect; and we who are the friends of Nepal would have to respect that.

QUESTION: Do we still stand by the policy of multiparty democracy and constitutional monarchy? Have we changed or shifted from this stand or do we still stand by this? Another question, you were talking about anti-India elements. Can you identify these elements?

FOREIGN SECRETARY: As far as the first point that you have mentioned, when we said India stands for multiparty democracy and constitutional monarchy, we were reflecting nothing more than what the people of Nepal themselves and the political parties themselves had committed to. So, you should not take this as something that was prescribed by the Government of India. With respect to what will be the future political arrangement, as I said, this is really a matter for the people of Nepal to decide, not for India to decide. With regard to who the anti-India elements would be, frankly I do not know. But there have always been some elements in Nepal who have been hostile to friendly relations between India and Nepal. Perhaps those are the elements who have tried to give this a distorted twist. But I do not think I have any information with regard to any specific people or specific persons who have been involved in this. But I think it is important for us in India to nail this kind of lie because it is really distorting the position of India which quite unambiguously has stood by the democratic forces in Nepal right through this very difficult period. And we intend to stand by them.

QUESTION: *Will you support the demand of Constituent Seven Party made by them?*

FOREIGN SECRETARY: *We have said we are not going to prescribe. It is not for us to say whether it is constituent assembly or parliament; whether the elections should be now or later; our stand has been one of principle. Our stand has been that the sovereignty resides in the people. And the political power should pass into the hands of the people. There should be democracy in Nepal because the people of Nepal want it; and we sympathise in that.*

QUESTION: Just to clarify on the answer you gave a second ago, are we effectively saying the end of the twin pillars policy? Just that the twin pillars policy applied to a moment in time when ...(Inaudible)... multiparty Nepal ...(Inaudible)... and the Nepali people and is not something which is fixed. Are you effectively saying that India has moved away from that?

FOREIGN SECRETARY: As I mentioned, it is not really for India to

decide what are the kind of political arrangements that the people of Nepal eventually wish to see established in Nepal. We have supported the restoration of democracy in Nepal. When we have been saying the twin pillars of constitutional monarchy and multiparty democracy, we have been reflecting only what the people of Nepal and the political parties in Nepal have wanted. If today or tomorrow the people of Nepal wish to see a different future for themselves, different kind of political arrangements for themselves, that is for the people of Nepal to decide, not for India to decide.

QUESTION: As you have told that we are in touch with all sections of the Nepali society as well as the political parties. Does it mean the Maoists too? If we do have, do not you think that Maoists have emerged as major stakeholders in Nepal's politics? What is your assessment about their inclusion in the future dispensation?

FOREIGN SECRETARY: I have said that we are in touch with the political parties and we have been in touch with the Palace as well essentially to try and play as constructive a role as we can to defuse the situation. We have not been in touch with the Maoists. But we have also said that in the conflict that Nepal is undergoing, a purely military solution is not possible. You need to have a political solution. Since we are wedded to the concept of democracy, we believe that if the Maoists have to come into the political mainstream, coming into that political mainstream must be based on the principles of multiparty democracy. It should be based on the principle of renunciation of violence because if there is no renunciation of violence, then how can you make democracy succeed. So, yes, certainly there is a need for them to be brought into the political mainstream but it has to be on the basis of the principle of multiparty democracy and the renunciation of violence. I think it is fairly clear.

Thank you very much.

(The text is italics is translated from Hindi)

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126. Press Release of the Ministry of External Affairs on certain developments in Nepal.

New Delhi, April 25, 2006.

The Government of India welcomes the developments in Nepal towards the restoration of multiparty democracy and the handing over of political power to the representatives of the people of Nepal¹. We await the convening of the revived House of Representatives and the installation of a government as indicated by the seven party alliance. This is a victory for the people of Nepal, who have displayed extraordinary courage and reaffirmed their faith and commitment to freedom and democracy. The future of Nepal is safe in their hands.

We are conscious of the challenges that lie ahead for Nepal as it embarks on the journey towards restoring political stability, achieving economic recovery and finding a peaceful solution to the armed conflict. These challenges will require the positive contribution of all concerned, drawing upon the support of the people of Nepal. As a close friend and neighbour, India has all along stood by the people of Nepal in their

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1. The reaction of the Government of India came after the meeting of the Cabinet Committee on Political Affairs met under the chairmanship of Defence Minister Pranab Mukherjee and attended by Agriculture Minister Sharad Pawar, Parliamentary Affairs Minister Das Munsi, Army Chief Gen. JJ Singh, Cabinet and Foreign Secretaries and chiefs of the Intelligence agencies among others. Before this meeting of the Cabinet Committee there was another high-powered meeting also chaired by Defence Minister on April 24 to review the deteriorating situation in Nepal in view of the continuing pro-democracy protests. The meeting sought to find out way to deal with the situation including security bearing on India. Others who attended the two-hour long meeting were Home Minister Shivraj Patil, Cabinet, Foreign, Home and Defence Secretaries, Chief of the Army Gen. JJ Singh, Raw Secretary, Intelligence Bureau Director among others. After the formal meeting of the Cabinet Committee on Political Affairs on April 25 the above statement was issued. Separately Mr. Mukherjee in his statement welcomed the restoration of democracy in Nepal and said: "this is a victory of the people of Nepal", who have displayed extraordinary courage and reaffirmed their faith and commitment to freedom and democracy. The future of Nepal is in safe hands." Extending "unstinted support" to the people of Nepal in whatever manner they wished, the Defence Minister said that India has all along stood by them in their "unrelenting struggle" for the restoration of their democratic rights. Earlier CPI(M) leader Sitaram Yechury had met the Defence Minister on April 23 and discussed with him the Nepal situation. He told journalists that he had suggested to the Defence Minister a seven-point formula to resolve the Nepal problem which included immediate restoration of the dissolved parliament and setting up of an interim government. He also said that that formula had also been forwarded to the King and his response was awaited.

unrelenting struggle for the restoration of their democratic rights. We are ready to render unstinted support to the people of Nepal in whatever manner they wish. India wishes to see the emergence of a peaceful, stable and prosperous Nepal and will contribute to this end to the best of its ability and resources.

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127. Press Release of the Embassy of India in Kathmandu on the Ambassador's meetings with the Prime Minister and other Ministers of Nepal.

New Delhi, May 4, 2006.

Ambassador of India to Nepal Mr. Shiv Shankar Mukherjee called on Prime Minister Mr. G.P. Koirala today. He congratulated the Prime Minister on the assumption of the august office at this crucial juncture in Nepal's history and expressed confidence that Nepal will successfully address all challenges under Mr. Koirala's leadership. Ambassador Mukherjee also conveyed to Mr. Koirala good wishes for his health and wished him a speedy recovery.

Ambassador also called on Deputy Prime Minister and Minister for Foreign Affairs Mr. K.P. Sharma Oli, Home Minister Mr. K.P. Sitaula, Minister for Finance Dr. R.S. Mahat and Minister for Agriculture and Cooperatives Mr. Mahant Thakur, and discussed with them the current situation in Nepal. Ambassador conveyed his good wishes to the Ministers for success in discharging their responsibilities and reiterated India's readiness to contribute to lasting peace, stability and prosperity in Nepal to the best of its ability and resources.

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128. Media Briefing by Official Spokesperson on the visit of Prime Minister of Nepal.

New Delhi, June 7, 2006.

Official Spokesperson: Good afternoon. As you know His Excellency Girija Prasad Koirala, Prime Minister of Nepal is here on an official visit. He arrived yesterday and the visit will carry on till the 9th of June. This is the first visit abroad of the Prime Minister of Nepal after he assumed office on the 30th of April.

You already have the details of the Nepalese delegation but just to mention, the visiting delegation includes Mr. Gopal Man Shreshtha, Minister of Physical Planning and Construction, Mr. Mahanta Thakur, Minister for Agriculture and Cooperatives, Dr. Ram Sharan Mahat, Finance Minister, Mr. Rajendra Prasad Pandey, Minister for Local Development, Mrs. Urmila Aryal, Minister of State for Women, Child and Social Welfare and also senior officials, business delegation as well as a delegation of media representatives.

On the Indian side at the delegation level talks that took place today, the Prime Minister was joined by Raksha Mantri, Minister of State for External Affairs Mr. Anand Sharma, Principal Secretary to the Prime Minister, National Security Advisor, Foreign Secretary and our Ambassador in Kathmandu, besides other officials.

Yesterday, as you know, setting aside protocol norms Prime Minister had gone himself to the airport to receive Prime Minister Koirala on his arrival and this indicates the close, warm and friendly ties which India shares with Nepal and the significance that India attaches to this visit.

This morning there were one-to-one talks which were followed by delegation level talks. One-to-one talks lasted, I understand, for about forty minutes. To give you a gist of the discussions, Prime Minister Koirala thanked the Government and people of India for their support to the people of Nepal and for the movement for restoration of multiparty democracy in Nepal. He reaffirmed the traditional and strong ties between Nepal and India.

Prime Minister Dr. Manmohan Singh said that India welcomes Mr. Koirala not just as a Head of Government but as a towering personality and the leader of all democratic forces in Nepal and South Asia. He

congratulated Prime Minister Koirala for the success of the democratic movement and paid special tribute to the people of Nepal, noting that Nepal was at a historic juncture. He conveyed India's full support, within our means, for Nepal's economic recovery and reconstruction efforts. In this context, I may add, Prime Minister Koirala gave an outline of Nepal's requirements and needs for economic recovery. He informed the Indian side of the serious economic situation facing Nepal due to months of political turmoil and he requested India's assistance to help meet Nepal's immediate needs as well as long term reconstruction efforts.

Prime Minister in response stated that Nepal's needs will be given the utmost importance and immediate consideration of the Government of India, which would hope to finalize details before the conclusion of Prime Minister Koirala's visit. India would like to help both in the immediate term as well as in the long-term requirements over the coming years. Prime Minister also confirmed that India is deeply committed to several large projects in the social and infrastructure sectors such as roads, bridges, railway linkages and ongoing projects will be pursued with renewed vigor.

During the rest of the visit Prime Minister Koirala is scheduled to have extensive engagements. He will call on Rashtrapati and Vice President. Vice President will be hosting a dinner in his honor tomorrow. Tonight Prime Minister is hosting Prime Minister Koirala for dinner. Minister of Defence, Mr. Pranab Mukerjee, Minister of Home, Mr. Shivraj Patil and Leader of Opposition in the Lok Sabha, Mr. L.K.Advani will also be calling on the Prime Minister of Nepal. He will also meet chairperson of UPA and President of the Indian National Congress, Smt. Sonia Gandhi as well as former Prime Minister, Mr. Chandra Shekhar.

Question: Did the issue of military supplies come up? What is the quantum of economic package requested by Nepal?

Official Spokesperson: I will take up your second question first. Since the requirements have been outlined by the Nepalese side, I don't feel at liberty to share what they have asked for. What I can tell you is that the details of the package are being worked out. There will be short-term measures of an immediate nature as well as long-term measures and these will be addressed in the package. The idea, and this I must stress, is to respond to the needs and priorities of the Government of Nepal. As far as the issue of military supplies is concerned, all I can say at this stage is that if there is any formal request by the Government of Nepal then that will be considered by India.

Question: Was there a formal request?

Official Spokesperson: No

Question: Was there any discussion on hydro projects and water sharing?

Official Spokesperson: There was no discussion on any specific project.

Question: Did the issue of monarchy come up?

Official Spokesperson: I cannot give you a sentence-by-sentence reconstruction of the talks. If you are asking me what is our view about monarchy I can only say that this is an issue which is to be decided by the people of Nepal.

Question: Will the economic package be announced during the visit?

Official Spokesperson: As I said this is being worked out and Prime Minister has said that both short-term and long-term measures are being addressed and all the details that we can hope to finalize at the end of the visit; we will you know at the end of the visit.

Question: During the visit of Mr. Deuba, some Joint Working Groups were established for cooperation in the fields of science and technology etc. What happened to those working groups? Are they being revived?

Official Spokesperson: India and Nepal have a fairly wide-ranging cooperation and there are huge development projects in sectors like infrastructure, health, energy and education. There are 137 small and large projects which are under various stages of implementation. These ongoing projects are going to be followed with renewed vigor. The idea is that Government of Nepal is in need of assistance for political stability and economic recovery and India is committed to that.

Question: ...inaudible...will the UN be involved? The Nepalis are saying...

Official Spokesperson: These are issues for the Government of Nepal to decide. They are a sovereign government and it is for them to decide what should be the role of the outside parties. The very fact that direct peace negotiations are being held between the political parties and the Maoists shows that the people of Nepal have the ability to face these challenges.

Question: Was the issue of any relationship between the Maoists of Nepal and those of India raised?

Official Spokesperson: As I said I cannot give you a sentence-by-sentence reconstruction of the talks. What I can say is that we support the peace efforts of the Government of Nepal and the Maoists and we believe that Maoists must abandon violence and must accept the discipline of multiparty democracy to enter the mainstream of politics in Nepal.

Question: ...inaudible...

Official Spokesperson: I think I have given you a fairly detailed readout of what was discussed in the talks. I can only hazard a guess that the entire current political situation in Nepal would have come up for discussion as well as a fair amount of the very wide gamut of bilateral relations.

Question: Did the Prime Minister of Nepal ask for the release of any Maoists in Indian jails?

Official Spokesperson: I do not have anything on that.

Question: When you say that the people of Nepal should themselves decide on the future of monarchy, does that mean there is a shift in our position?

Official Spokesperson: I am giving you the briefing today. There is a particular situation today in Nepal, perhaps most of you know it better than I do. You have been there, you have seen the tremendous political changes that have taken place in Nepal. I am giving you a briefing based on developments that have taken place in Nepal and on the fact that you have a Prime Minister and a new Government in place and the fact that the Prime Minister has come here as a representative of the sovereign people of Nepal and as a representative of a multiparty democratic movement.

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129. Joint Press Statement issued at the end of the visit of Nepalese Prime Minister Girija Prasad Koirala.

New Delhi, June 9, 2006.

1. The Rt. Hon'ble Girija Prasad Koirala, Prime Minister of Nepal, paid an official visit to India from 6-9 June 2006 at the invitation of His Excellency Dr. Manmohan Singh, Prime Minister of India. The Prime Minister of Nepal was accompanied by Hon'ble Mr. Gopal Man Shrestha, Minister for Physical Planning & Works, Hon'ble Mr. Mahantha Thakur, Minister for Agriculture and Cooperatives, Hon'ble Dr. Ram Saran Mahat, Minister for Finance, Hon'ble Mr. Rajendra Prasad Pande, Minister for Local Development, Hon'ble Ms. Urmila Aryal, Minister of State for Women, Children and Social Welfare and Adviser to the Prime Minister on Foreign Affairs, Dr. Suresh Chandra Chalise. The delegation also included senior officials of the Government of Nepal, a business delegation and a delegation of media representatives.
2. During his visit, the Prime Minister of Nepal visited Rajghat and paid homage to the memory of Mahatma Gandhi. The Prime Minister called on His Excellency the President of India, Dr. A.P.J. Abdul Kalam and on His Excellency the Vice President of India, Shri Bhairon Singh Shekhawat, who hosted a dinner in his honour. The Prime Minister of Nepal had a meeting with the Prime Minister of India, which was followed by delegation-level talks, led by the two Prime Ministers, on issues of mutual interest and concern. The Prime Minister of India hosted a dinner in honour of the Prime Minister of Nepal. Minister of Defence Shri Pranab Mukherjee, Minister of Home Shri Shivraj Patil, and the leader of Opposition in the Lok Sabha Shri L.K. Advani called on the Prime Minister of Nepal. The Prime Minister of Nepal had a meeting with the Chairperson of United Progressive Alliance (UPA) and the President of Indian National Congress, Smt. Sonia Gandhi as well as former Prime Minister Shri Chandra Shekhar.
3. The talks were held in an atmosphere of utmost cordiality and warmth. The two Prime Ministers shared their views and assessments of the situation in both the countries. They agreed that the restoration of democracy in Nepal provided a historic opportunity for a qualitative enhancement of bilateral relations between the two countries, which

rest on age-old social, economic and cultural ties; shared faith in democracy, freedom and the rule of law; and pursuit of peace, stability and prosperity. They reaffirmed their commitment to impart a new dimension and dynamism in their relations based on the principles of peaceful coexistence, sovereign equality, territorial integrity, mutual respect and understanding.

4. The Prime Minister of India extended a warm welcome to Prime Minister Girija Prasad Koirala as the leader of democratic forces and conveyed his best wishes for his good health and continued leadership, as he leads Nepal at an important juncture in its history. He described the visit as being of great historical significance. He applauded the extraordinary courage and achievements of the people of Nepal in their successful struggle for restoration of multi-party democracy and commitment towards institutionalising it. The Prime Minister of India commended the recent initiatives taken by the Government of Nepal to bring about peace, stability and return to the path of economic recovery.
5. The Prime Minister of India reiterated that as a close friend and a neighbour, India wishes to see a stable, peaceful, democratic and prosperous Nepal. He offered India's full support to the Government of Seven Party Alliance under the leadership of Rt. Hon'ble G.P. Koirala, Prime Minister of Nepal, and to the people of Nepal in their quest to achieve these goals, and expressed confidence in their ability to overcome the challenges that lie ahead.
6. The Prime Minister of Nepal conveyed the appreciation of the people of Nepal to the people and the Government of India for the support extended to them in their peaceful struggle for restoration of democracy.
7. The Prime Minister of India appreciated the initiatives taken by the Prime Minister of Nepal to consolidate the achievements of the People's Movement by finding a peaceful solution to the armed conflict, restoring political stability and moving towards economic reconstruction for the welfare of the people of Nepal. The two Prime Ministers agreed that the success of democracy lay in creating an atmosphere free from violence and coercion, and respect for the rule of law.
8. The Prime Ministers acknowledged the vital importance of accelerating economic rehabilitation and development in Nepal. The Prime Minister

of India conveyed India's readiness to render all possible assistance to Nepal in that direction, in accordance with the priorities and wishes of the Government of Nepal. The Prime Minister of Nepal expressed appreciation to the Government of India for their generous cooperation in the socio-economic development of Nepal.

9. In this context, the Prime Ministers agreed to enhance the India-Nepal development partnership for expanding rural and economic infrastructures, developing education and healthcare facilities, and building human resources in Nepal. The Prime Ministers agreed to revive bilateral initiatives and mechanisms existing between the two countries in the areas of socio-economic cooperation.
10. The Government of India expressed its readiness to:
 - (a) Expedite progress on long-term mega infrastructure projects in the areas of roads, railway linkages, border infrastructure, water resources and construction of an oil pipeline¹, Special Economic Zone, airports up-gradation, and other areas to be mutually agreed upon by the both governments.
 - (b) Extend immediately a one-time grant of Indian Rs. 100 crore to the budget of Government of Nepal.
 - (c) Offer a soft credit line of US \$ 100 million for the execution of infrastructure development projects as prioritised by the Government of Nepal.
 - (d) Enhance its 'Aid to Nepal' budget for the current financial year from Indian Rs. 65 crore to Indian Rs. 150 crore annually.
 - (e) Waive the dues outstanding as on date owed by the Government of Nepal to the Government of India on account of defence purchases.
 - (f) Arrange immediately supply of 25,000 metric tons of fertilizers to Nepal at subsidized prices.
 - (g) Grant exemption to all exports of goods manufactured in Nepal into India from the 4% Additional Duty of Customs.

1. The same evening the Official Spokesperson of the MEA when asked about the oil pipeline project clarified "This is a mega infrastructure project which is already on the anvil between India and Nepal."

- (h) Accelerate the release of all funds to Nepal under the Duty Refund Procedure Scheme.
 - (i) Double the number of scholarships provided by the Government of India for Nepalese students, including for girls.
 - (j) The Indian Oil Corporation will work out with Nepal Oil Corporation modalities for rescheduling the dues owed to it on account of oil supplies.
11. The Prime Ministers agreed that there would be early follow up to implement the above decisions so as to ensure that the benefits reach the people of Nepal, and economic cooperation between India and Nepal is further strengthened for mutual benefit.
12. The Prime Minister of Nepal extended an invitation to the Prime Minister of India to pay an official visit to Nepal at an early date. The Prime Minister of India accepted the invitation with pleasure. The visit will take place at a mutually convenient date.

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130. Joint Statement issued at the end of the Inter Governmental Committee meeting on India-Nepal Trade and Investment Issues.

New Delhi, August 25, 2006.

The two day meeting of the India-Nepal Inter-Governmental Committee (IGC) on Trade, Transit and Cooperation to control unauthorized trade concluded here today. Sh. S.N. Menon, Commerce Secretary, led the Indian delegation while the Nepalese delegation was led by Sh. Bharat Bahadur Thapa, Secretary, Ministry of Industry, Commerce and Supplies, Government of Nepal.

The two delegations recognized the need to widen and deepen economic ties through trade and investment ties in areas such as power and services sectors, including information technology, tourism, education and healthcare. The Indian delegation proposed to negotiate a Comprehensive Economic Partnership Agreement with Nepal to qualitatively enhance bilateral economic ties. The Nepalese side agreed to look into India's proposal.

Both sides expressed satisfaction at the rapid growth in bilateral trade and investment ties during the past decade. They noted that the bilateral trade treaty would be renewed in March 2007 and decided to explore ways to make the treaty a more effective instrument for further strengthening bilateral economic ties. Sh. S.N.Menon conveyed India's readiness to work with Nepal to expeditiously address Nepal's concerns on non-tariff measures. The two sides noted the important role of Indian investments in Nepal's industrial development and exports, and agreed that bilateral investment ties should be further promoted.

The two sides also reviewed progress on trade and economic infrastructure projects being undertaken by India in Nepal and stressed the need to accelerate their implementation. The Nepalese delegation sought assistance for new economic infrastructure projects, which would be discussed by the two sides in appropriate forums.

The IGC meeting took place against the backdrop of the commitment of support for Nepal's economic recovery and development given by Prime Minister Dr. Manmohan Singh, during the visit of the Prime Minister of Nepal, Sh. Girija Prasad Koirala, to New Delhi in June, 2006. Sh. Bharat Bahadur Thapa also called on the Minister of State for Commerce, Shri Jairam Ramesh.

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131. Media Briefing by Official Spokesperson on the visit of Nepalese Foreign Minister K. P. Sharma Oli.

New Delhi, November 6, 2006.

As you know, the Deputy Prime Minister and Foreign Minister of Government of Nepal His Excellency Mr. K.P. Sharma Oli is present in New Delhi and is conducting meetings with the Indian leadership. This goodwill visit follows the visit of Prime Minister Shri G.P. Koirala in June, 2006. This forenoon, Mr. Oli held delegation level talks with the External Affairs Minister Shri Pranab Mukherjee. Later on he has called on the Prime Minister.

To give you a sense of the discussions so far, the External Affairs Minister's discussions lasted over an hour and were warm, friendly, cordial and involved a comprehensive review of bilateral relations between India and Nepal. The External Affairs Minister stated that India attaches the highest priority to its relations with Nepal with whom we are partners in

peace, progress and prosperity. Both sides expressed satisfaction at the way the bilateral relationship was going on, and agreed that there was tremendous potential for taking this further and strengthen the relationship further.

They reviewed in particular the implementation of the economic package which was announced after Prime Minister Koirala's visit in June this year. Necessary modalities will now be worked out on an expeditious basis to operationalised the credit lines of USD 100 million granted by India to Nepal. We also received clarifications from Nepal on their request for exemption of four per cent additional customs duty on Nepalese exports to India. This will be given speedy consideration by the Indian Government. We also reviewed various agreements in negotiation, primarily those in the economic and commercial sectors such as the Bilateral Investment Protection and Promotion (BIPA), Avoidance of Double Taxation Agreement, and the Motor Vehicle Agreement. They also expressed their commitment to continue the review process for a renewal of the trade treaty which is due in March, 2007.

In response to a request from the Nepalese side, we have agreed to schedule technical level talks on the Pancheshwar project at an early date. They also agreed to discuss other projects such as the storage-cum-hydro power project on the Rapti river called Noumure. Discussions were also held on the construction of transmission lines and export of power from India to Nepal.

The two sides also recognized the important contribution of women in socio-economic development and agreed that special attention would be paid to the participation of women in various cooperation programmes between India and Nepal such as training schemes, scholarships and small development projects.

Mr. Oli also briefed the External Affairs Minister on the latest situation in Nepal including the ongoing peace negotiations. During his call on the Prime Minister, Dr. Manmohan Singh conveyed his best wishes to Prime Minister Koirala. He expressed his desire to see an early return of peace, stability and economic recovery in Nepal and said that India towards this end is committed to render all assistance and support within our means to the Government and people of Nepal¹.

1. On his part Mr. Oli speaking to the Indian business community assured that "a conducive atmosphere for investors while seeking their participation in the development of Nepalese

Mr. Oli extended an invitation to External Affairs Minister to visit Nepal and also extended on behalf of Prime Minister Koirala a similar invitation to the Prime Minister of India.

QUESTION: On this agreement that is likely between the Maoists and the Nepalese Government they have apparently come to some kind of understanding of how the weapons are to be dealt with in this situation of Do you have a comment on that?

OFFICIAL SPOKESPERSON: As I said, today Foreign Minister Oli briefed the External Affairs Minister and the Prime Minister about the latest situation with regard to peace negotiations between the political parties and the Maoists. But I understand the discussions are still going on. So, we will wait and watch the developments and you will have our reaction in due course.

QUESTION: Maoist leader Prachanda has been invited by the India ... group here. Has the Government any objections to it?

OFFICIAL SPOKESPERSON: We have conveyed to the Government of Nepal that the Government of India has no role in the organising of this summit and that this is a private event.

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infrastructure, tourism, water resources, agro-business and in other areas. On another plane while speaking at the Indian Council of World Affairs on November 7, Oli said that his country was "in the final stages of positive conclusion" and that he fully expected the Maoists to join the interim government. "We whole-heartedly commend India for its realization that the Nepali people are capable of deciding their own destiny, a major departure for her Nepal policy," he said. As democracy in Nepal deepens the country would develop a "people-oriented and result-oriented foreign policy" he assured the audience. Mr. Oli was confident that the successful resolution of the Maoist conflict in Nepal through peaceful means "will have a salutary impact on regional peace and security."

132. Statement by External Affairs Minister Pranab Mukherjee on developments in Nepal.

New Delhi, November 8, 2006.

The decisions taken by the leadership of the Seven Party Alliance led by Prime Minister G.P. Koirala and the CPN (Maoist) in the early hours of today are a victory for the people of Nepal¹. We welcome this significant step in Nepal's democratic progress to a settled constitutional order in which the people of Nepal can realize their aspirations for peace and prosperity. We expect these decisions to place Nepal on the path of reconciliation, peace, stability and economic recovery.

We look forward to the signing of the Comprehensive Peace Agreement between the Government of Nepal and the CPN (Maoist) on 16 November 2006, as has been decided today. The people of Nepal must have the right to freely choose and decide their own destiny and future without fear of the gun.

India stands ready, as always, to extend its full support to the efforts of the Government and people of Nepal.

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1. EAM was referring to the Seven-party alliance and the Maoists signing an accord on November 8 thus formally ending a decade old insurgency in Nepal. The six-point agreement sought to settle all contentious issues including arms management and political processes. Maoists combatants would be confined to seven cantonments and their arms kept locked in the designated cantonments. The Maoist leadership keep the keys to the lockers but the UN would monitor the locks using closed circuit cameras and electronic sensor devices. In reciprocity the army would leave an equal number of weapons under UN inspection. It was decided that the future of Monarchy would be decided by the first meeting of the Constituent Assembly. It was agreed to nationalize King's property which he acquired by virtue of ascending to the throne. His private property would be left intact.

133. Statement by Official Spokesperson on the Comprehensive National Peace Agreement in Nepal.

New Delhi, November 21, 2006.

The Government of India welcomes the signing of the Comprehensive National Peace Agreement¹ between the Government of Nepal and the Communist Party of Nepal (Maoist). We believe the Agreement reflects the overwhelming desire of the people of Nepal for peace and stability. We hope that this Agreement brings to an end the politics and culture of violence, and heralds the beginning of a lasting peace in order to let the people of Nepal exercise their right to decide their destiny through free and fair elections, without intimidation. The critical test of this Agreement will be its implementation on the ground. We call upon all sides and all stakeholders in Nepal to strictly abide by their commitments under this Agreement. Violations must be dealt with under the laws of the land, and full cooperation extended to those empowered to supervise the steps ahead, such as the police, the Election Commission, and the UN. The people's mandate, and their trust, must not be betrayed. India stands ready to continue to help in every way, to ensure that this historic opportunity is not lost.

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1. The Comprehensive Peace Agreement (CPA) inter alia declared the end of all kinds of violent activities by the Government and the Maoists. Both sides agreed to honour all international treaties and covenants on human rights and uphold civil liberties. With the end of violence, all displaced Nepalis could return to their homes and they would not be forced to accept anything against their will. The CPA says that all the captured public and private properties will be returned within 60 days. The Maoists also agreed to dissolve its local government and courts. The agreement also said the armies of both sides will be confined to the barracks and cantonment and they would not take part in the election campaigns but their personnel would have the right to cast their votes.

134. Press Release of the Ministry of External Affairs on the visit of Foreign Secretary Shivshankar Menon to Nepal.

New Delhi, December 1, 2006.

The Foreign Secretary of India Mr. Shivshankar Menon paid a visit to Kathmandu from 29 November – 1 December 2006 at the invitation of the Acting Foreign Secretary of Nepal Mr. Bhagirath Basnet.

During the visit, the Foreign Secretary had wide-ranging and fruitful discussions on a range of issues of mutual interest with senior political dignitaries and officials of Nepal. He was received by Hon'ble Prime Minister Mr. Koirala, Speaker of House of Representatives Mr. Nemwang, Deputy Prime Minister and Foreign Minister Mr. Oli and Deputy Prime Minister Mr. Sherchan and Ministers Dr. Mahat, Mr. Tripathi and Mr. Sitaula. He also had discussions on the current political situation in Nepal with senior leaders of political parties of Nepal, including President of Nepali Congress (Democratic) Mr. Sher Bahadur Deuba, General Secretary of CPN (UML) Mr. Madhav Kumar Nepal, President of Rashtriya Janshakti Party Mr. Surya Bahadur Thapa and President of Rashtriya Prajatantra Party Mr. Pashupati S.J.B. Rana, and also a cross section of representatives of civil society and other leaders.

All these meetings took place in a friendly and cordial environment that characterises India-Nepal relations.

The visit of Foreign Secretary was the first by a senior Indian official after the historic changes ushered in by the People's Movement of April 2006 and the signing of the Comprehensive Peace Agreement on 21 November 2006. It provided an opportunity to discuss the progress and future possibilities in the wide-ranging, close and multidimensional ties between India and Nepal, especially in the context of the landmark visit of Prime Minister Mr. Koirala to India in June 2006. Foreign Secretary reiterated the commitment of the Government of India to further strengthen the close, historical and friendly relations with Nepal, which are a matter of highest priority for India.

Foreign Secretary's discussions in Kathmandu over the last two days strengthen India's belief that the people of Nepal can successfully address the challenging tasks ahead related to democratic nation building. The international community can make a positive contribution by supporting these efforts. As ever, India is ready to support all efforts aimed at promoting

peace, democracy and development in Nepal, where its people are able to choose the manner in which they wish their country to be governed and developed without fear of intimidation and coercion.

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135. Press Release of the Embassy of India in Kathmandu on the visit of External Affairs Minister Pranab Mukherjee to Nepal.

Kathmandu, December 17, 2006.

The External Affairs Minister of India Shri Pranab Mukherjee paid a visit to Kathmandu on 17 December 2006.

During the visit, the External Affairs Minister called on Hon'ble Prime Minister Mr. Girija Prasad Koirala and handed over to him the invitation from India's Prime Minister to the 14th SAARC Summit to be held in New Delhi on 2-3 April 2007.

Mr. Mukherjee also met Deputy Prime Minister and Foreign Minister Mr. K. P. Sharma Oli. Before his departure from Nepal, he will hold discussions with the President of Nepali Congress (Democratic) and former Prime Minister of Nepal Mr. Sher Bahadur Deuba and General Secretary of CPN (UML) Mr. Madhav Kumar Nepal.

The External Affairs Minister is the first Minister from India to visit Nepal after the historic changes ushered in by the People's Movement of April 2006. His visit provided an opportunity to discuss the progress and possibilities in the wide-ranging, close and multidimensional ties between India and Nepal, especially in the context of the landmark visit of Prime Minister Mr. Koirala to India in June 2006. In all his meetings with Nepali dignitaries, the commitment of the Government of India to further strengthen the close, historical and friendly relations with Nepal, which are a matter of the highest priority for India, was reiterated. It was also stressed that at this crucial time in Nepal's history, India remains steadfast, as ever, to extend all possible assistance to Nepal in accordance with the priorities and wishes of the government and people of Nepal.

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136. Press Conference of External Affairs Minister Pranab Mukherjee on his visit to Nepal.

Kathmandu, December 17, 2006.

External Affairs Minister: Good afternoon, ladies and gentlemen. I am very happy to be here in Nepal, a country with which India shares the closest and the friendliest of relations.

I am also privileged to be the first Union Minister from India visiting Nepal after the far-reaching political changes that were ushered in by the people of Nepal earlier this year. Since then, the people of Nepal, through their political leaders, have successfully taken a number of steps to consolidate peace and democracy, in the form of various understandings and agreements. This has amply proved that the people of Nepal, who have taken their destiny in their own hands, can successfully address the challenging tasks ahead.

My visit to Nepal is in the context of the forthcoming 14th SAARC Summit, which will be held in New Delhi on 3-4 April 2007. I called on the Hon'ble Prime Minister of Nepal, Mr. G. P. Koirala, and handed over to him the invitation from our Prime Minister to attend the Summit. During this meeting, we also recalled the landmark visit of Prime Minister Koirala to Delhi in June this year. We discussed the progress in implementing the decisions taken during that visit. The economic package that was announced during that visit has been largely implemented. There have been some other requests for assistance in terms of logistical equipment and I was happy to inform Prime Minister Koirala our agreement to provide these also.

I had a very useful meeting with Deputy Prime Minister and Foreign Minister, Hon'ble Mr. K. P. Sharma Oli. We discussed a number of issues related to our bilateral relations, as also the current situation with regard to the peace process in Nepal.

Before my departure, I will also be meeting the President of the Nepali Congress (Democratic), former Prime Minister of Nepal Mr. Sher Bahadur Deuba, and the General Secretary of the CPN (UML) Mr. Madhav Kumar Nepal.

Today, when Nepal stands at the threshold of a new and brighter future, India, as always, remains committed to supporting all efforts that

are aimed at achieving peace, democracy and development in Nepal. Thank you.

Question: (Mr. Anirban Roy, Correspondent, *Hindustan Times*): We do not understand why you did not meet or why are you not meeting the Maoist leaders? Does India still feel that Maoists are untouchable? Because we have seen during Mr. Menon's last visit to Kathmandu, he also tried not to meet the Maoists. So why is the untouchability from India's side?

EAM: There is no question of untouchability. We have welcomed the decision of the Maoists to join the mainstream of national politics and it is a very wise decision. But when the representatives of the Government come, we speak with the persons who are in the political system in the Government. And, therefore, these are the Government meetings and we are not meeting those political party leaders who have not joined the Government. The moment the Maoists join the Government, there will be no question of not meeting them. It is not a question of untouchability. We have already welcomed their decision and we do consider it is a very wise decision.

Question: (Mr. Kumar Lamichhane, Nepal-1 Television): Do you welcome the Interim Constitution or not and how do you view the provisions made there depriving the King all of his previous rights?

EAM: You know, we are not to make any comment. It is for the people and political parties of Nepal to decide what type of constitution they will have. So far I understand, these are the transitory provisions. And once the Constituent Assembly is constituted through free and fair elections and after the Constitution making process is complete in the Constituent Assembly, these transitory provisions will not be there.

Question: (Mr. Tilak Pokharel, *The Kathmandu Post*) - How do you think that the Maoists coming into the Government here will affect India's internal security?

EAM: I do not think that their joining the Government here and joining the mainstream of the national politics would also encourage the extremists and Maoists in other areas to join the national mainstream of politics. And, in fact, in India we had it. Mizoram is one of the examples. AGP is another example in Assam. Mizo National Front (MNF) in Mizoram. They were extremists. We entered into dialogue with them; they joined the mainstream of the national politics and till today they are running the Government there. This is always encouraged.

Question: (Mr. Ramashish, Special Correspondent, *Hindusthan Samachar*) - Mukherjee Sahib, Last time when came to Nepal as Foreign Minister, you planted a tree named Pancheshwar. Is that tree (Pancheswar) still alive or has it withered?

EAM: When I came here in 1996, I initialed the Mahakali Treaty and after that it was formally signed by the two Prime Ministers. At that point of time, India's Prime Minister was Mr. P.V. Narsimha Rao and Nepalese Prime Minister was His Excellency Mr. Sher Bahadur Deuba. There were some problems and the process was little, I would not say disturbed, it did not get necessary momentum. So far Pancheshwar Project is concerned, we, both the sides, have discussed it during the recent visit of Nepali leaders. A detailed project report will have to be prepared and we are awaiting note from the Nepali side and once it is decided, then the technical team will come and they will have discussions with their counterparts here and the process will continue.

Question: (Ms. Sudeshna Sarkar, Indo-Asian News Service) - You said there was a request from the Nepali Government for logistics and equipment, what kind of equipment except containers and what kind of logistics?

EAM: Firstly, there are requirements of some vehicles and some communication equipment. We have already agreed to provide 200 vehicles for the mobility of police force and also the communication equipment. In addition to that, for the use of the Nepali Armed Police, we have requested the Inspector General (IG) to come to India and discuss with his counterparts and identify the type of equipment and facilities they would like to have and we will be glad to provide them.

Question: (Mr. Ambar Mainali, *The Rising Nepal*) – I have a small query. Nepal and India formed a joint technical team for border agreement way back in 1970s. I have heard recently that Bhutan and India signed the treaty (on border demarcation) after 45 years. Can you tell us how long it will take for Nepal and India?

EAM: I think some talks are going on and it would be possible to sort out the issues and we will take the decision. But it is difficult to indicate the exact time frame. So far Bhutan is concerned, it is not a treaty, it is a joint survey.

Question: (Mr. Tom Bell, *Daily Telegraph*) - What is the attitude of your Government towards the retired Gorkha soldiers from the British and

Indian Army for their involvement in monitoring the arms and whether you understand that such schemes are likely to be implemented?

EAM: It is for the Government of Nepal to decide and if they want to recruit them as helpers to the Monitors, I think it would be a good suggestion. But after all, the decision is to be taken by the Government of Nepal.

Question: (Mr. Gunaraj Luitel, *Kantipur Daily*) – We have seen some political development in Bhutan; how do you see this recent development?

EAM: We have welcomed it. After all it is the decision of the King to abdicate in favour of his son and we have welcomed the decision.

Question: (Mr. Harihar Upadhyaya from Kantipur Television) – As you have said the recent developments in Bhutan, during your visit, did you discuss about the Bhutanese refugees problem Nepal is facing. They are saying that until and unless India comes forward, refugees problem is not going to be solved. What do you think, Sir?

EAM: I am aware of this problem. It is going on for quite sometime. We have always encouraged both Bhutan and Nepal Governments to engage in bilateral talks and to resolve this issue and we still hold that view.

Question: (Mr. Bishnu Budhathoki, *The Kathmandu Post*) – In the past, most of the Indian officials whenever they visited they used to meet the King but right now you have not mentioned about that. Are you going to meet him and if you are not, what could be the reasons for that?

EAM: So far the situation prevails after 1st February 2005 and subsequently in April 2006 you are fully aware of it. We go by the desire of the people as reflected in the form of the Government of the country concerned. Therefore, we have decided to meet the leadership of the political establishment as it exists today.

Question: (Mr. Kedar Bhattarai, *Gorkhapatra*) – How do you react the decision of the US Government to take 60,000 Bhutani refugees to US. Do you think is it the (best) solution at most (sic)?

EAM: I am afraid, it is not yet a decision. It is a proposal. As I mentioned in reply to earlier question that issues are to be resolved by both sides, on the one side Nepal and on the other side Bhutan. They can consider this proposal of US Government and respond as they think appropriate.

Question: (Mr. Keshab Paudel, *Spotlight Weekly* magazine) – How do you see the changing political scenario in Nepal and what kind of specific things you discussed with the Prime Minister and other political leaders in Nepal?

EAM: Of course, we have discussed the developments which are taking place. But, as we have mentioned repeatedly that here we go by the decision of the people of Nepal as reflected through their political parties and Government. Therefore, whatever they feel proper and just we stand by that.

Question: (Mr. Yugnath Sharma Paudel, Commander and *Asian Bazar*) – You have already said in Delhi, ISI's activities in Bangladesh & Nepal still continue. What is the situation right now? And there are media reports from Terai region that fake currency business is growing in Terai region and on Indo-Nepal border. What is your comment?

EAM: So far ISI activities and fake currency circulation are concerned, these are the issues which we take seriously and we take it up with the appropriate authority. And whatever preventive measures are required from our side, we will take those preventive measures to checkmate these undesirable developments.

Question: (Ms. Rekha Shrestha, *The Himalayan Times*) – Earlier, during Foreign Secretary's visit, he (FS) had said about reviewing of the 1950's Treaty. So, in your meetings with Ministers and Prime Minister today did you have any kind of discussion, and if you could update us on this? How positive the Indian Government is?

EAM: In these meetings, we did not discuss about the revision of the Treaty. However, at some point of time there were some discussion and we are always prepared to talk about it.

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PAKISTAN

137. Press Release of the Ministry of External Affairs announcing that India and Pakistan have exchanged lists of nuclear installations and facilities.

New Delhi, January 1, 2006.

For the fifteenth consecutive year, India and Pakistan today, through diplomatic channels, simultaneously at New Delhi and Islamabad, exchanged lists of nuclear installations and facilities covered under the Agreement on the Prohibition of Attacks Against Nuclear Installations and Facilities between India and Pakistan. This Agreement was signed on December 31, 1988 and entered into force on January 27, 1991.

Under the Agreement¹, the two countries are to inform each other on January 1 of each calendar year of the nuclear installations and facilities to be covered by the Agreement. The first such exchange of lists took place on January 1, 1992.

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1. Under the agreement both Pakistan and India are to refrain from attacking each other's nuclear facilities in the event of a war.

138. Press Release of the Ministry of External Affairs on number of People traveled across the LOC in 2005.

New Delhi, January 6, 2006.

The LoC was opened on 7.4.2005 with the commencement of the Srinagar-Muzaffarabad bus service. After the earthquake on 8.10.2005, the bus service was temporarily suspended but five crossing points were opened to facilitate travel across the LoC. The bus service has since resumed from Srinagar to Kaman. Between April 2005 and 31 December 2005, 496 Indian nationals were given permission by Pakistani authorities to travel across the LoC. Of these, 355 traveled. 577 Pakistani nationals were given permission, of whom 374 traveled across the LoC in the same period.

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139. Press Release of the Ministry of External Affairs giving details of relief assistance provided to Pakistan following earthquake of October 2005.

New Delhi, January 6, 2006.

India's response to the disaster caused by the 8 October 2005 earthquake in Pakistan was swift and spontaneous. After the Prime Minister of India had spoken to the President of Pakistan on the same day of the quake offering to provide whatever assistance that Pakistan may require, India sent one aircraft and three trains carrying relief material. This material weighed about 900 tonnes and was valued at approximately Rs. 21 crore or equivalent to US\$ 4.7 million. The following are the details of these relief goods.

Blankets 25500

Tents 2200

Sleeping Bags 15200

Plastic/FRP Sheets 41500

Medicines 30 tonnes

Anti-Tetanus Injections 10000

Pethidine Injection 10000

Fortified biscuits 100 tonnes

The material also included X-Ray machines & film and other essential medicines.

Following the opening of five Crossing Points on Line of Control, India also handed over relief material weighing more than 400 tonnes and valued at about Rs. one crore. This material included 1220 quintals of food packets containing essential items such as rice, atta, sugar, dal and salt; and the remaining comprised mainly, blankets, medicines and galvanised steel sheets.

With the above, the total amount of relief material sent by the Government of India to the Government of Pakistan works out to more than 1300 tonnes estimated at a value of about Rs 22 crores or US \$ 5million.

The Government of India pledged an assistance of US\$ 25 million for the victims of the earthquake to be utilised in housing and education

sectors. The Government of Pakistan has accepted this offer and indicated interest to source construction material from India utilising this assistance.

Apart from official assistance, considerable amounts of relief material have also been sent from India by private agencies, State Government of Punjab, Government bodies such as the Minorities Commission, local and foreign NGOs. Most of this material was sent via Attari-Wagah land and rail routes. As per available information, the following are the details of major items sent through this mode which are valued at approximately Rs. 47 crores or US\$ 10.5 million:

Blankets 11.5 lakhs

Tents/tarpaulins 60000

Galvanised steel sheets 50 tonnes

Biscuits 3365 tonnes

To sum up, the total value of relief material, both official and private, sent from India to Pakistan is estimated at Rs. 69 crores, equivalent to US\$ 15.5 million.

The High Commission of Pakistan in New Delhi has also been allowed to source material from India and send both by land and air. Available information indicates that about 4000 kg of blankets by air and 5000 tents by land route were sent by the High Commission of Pakistan.

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140. Joint Statement issued at the end of India-Pakistan talks on Munabao - Khokhrapar train service.

New Delhi, January 6, 2006.

The Railway delegations of India and Pakistan met on 5th & 6th January 2006 in New Delhi to finalise the modalities for operationalising the rail link between Munabao in India and the newly established Railway station near Khokhrapar in Pakistan.

The Indian delegation was led by Shri Ashok Gupta, Adviser/Traffic, Ministry of Railways, Government of India, and the Pakistan delegation was led by Mr. Saleem-ur-Rahman Akhoond, General Manager, Pakistan Railways.

The talks were held in a cordial and constructive atmosphere. This passenger train between the two countries will be called "THE THAR EXPRESS".

Both sides discussed a draft Agreement pertaining to the modalities of the running of the train. An Indian delegation will visit Pakistan before the end of January 2006 for the signing of this Agreement.

The two delegations have also agreed to commence the train operations on this route from 1st February 2006. The rake for this service will be provided alternately by Indian and Pakistan Railways on a six monthly basis. For the first six months, the Pakistan train will cross into India to Munabao. Thereafter, the Indian train will cross into Pakistan to Zero Point Railway Station near Khokhrapar. This six monthly process will be repeated alternately.

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141. Initial reaction of Official Spokesperson to remarks made by President Musharraf.

New Delhi, January 7, 2006.

Question: Do you have a reaction to President Musharraf's interview¹ in which he has said that if India withdraws troops from Kupwara, Srinagar it will help fight insurgency?

Official Spokesperson: Have you seen the interview.

Question: Part of it...

Official Spokesperson: That is the whole point. We have not yet seen the entire interview and I think a full assessment and a full reaction

1. President Musharraf said in his interview to an Indian news channel actually telecast on January 8 that if India agreed to withdraw troops from Srinagar, Kupwara and Baramulla to the "outskirts", there would be no militancy in the Kashmir valley. He complained of a non-response attitude from India towards Pakistan's idea for resolving the Kashmir issue. He reiterated his "formula" of dividing J & K into seven regions. The formulation envisaged the identification of regions in Jammu and Kashmir and Pakistan-Occupied Kashmir and their administration with joint control by India and Pakistan. This formulation already articulated by him in 2004, at the time of Ramadan, was not only criticized in India but in Pakistan too.

can only come after we have seen the entire interview. Nevertheless, there have been some agency reports as well as excerpts which we have seen on the TV channels and on the basis of what one has seen so far I think it is possible to give some initial reaction on some of the elements which seem to be contained in the interview. But I must say that a full assessment can only be done once the full interview has been played.

On the basis of what one has seen so far I think I am in a position to make some comments.

Firstly, we have heard remarks made by President on demilitarization, and this time, about three specific cities in Jammu and Kashmir. I would like to say here first of all, that any demilitarization or redeployment of security forces within the territory of India is a sovereign decision of the Government of India and cannot be dictated by any foreign government. Such decisions are based on our assessment of the security situation prevailing in any particular part of the country. As long as the security situation in Jammu and Kashmir and indeed in other parts of the country is adversely affected by the phenomenon of cross-border terrorism and violence perpetrated by Pakistan-based terrorist groups, the Government of India will fulfill its responsibility to safeguard the lives and security of its citizens.

On the issue of the three specific towns or cities I think there seems to be some hint or a statement within the interview that there is a quid pro quo here that if the towns of Srinagar, Kupwara and Baramullah are demilitarized, then President Musharraf would ensure that there is no "militancy" there. What we are talking about here is "terrorism" and not mere militancy. Pakistan President has repeatedly given solemn assurances that no part of the territory under Pakistan's control would be used for any cross-border terrorism against India. The implementation of this commitment is unconditional. Pakistan should implement forthwith its solemn commitments in this regard so that the peace process between the two countries can make progress and the two countries can live in peace and friendship as good neighbors.

Our aim should be to establish peace and tranquility all along the India-Pakistan border and all along the LOC so that there is no need for the two countries to deploy troops in proximity to one another. A complete cessation of cross-border terrorism as well as the permanent dismantling of the infrastructure of terrorism would contribute to an early realization of this aim.

The other issue that we have seen in the excerpts being talked about is references to self-governance. On this, India had already conveyed its response in the meeting between Prime Minister Dr. Manmohan Singh and Prime Minister Shaukat Aziz in Dhaka on the sidelines of the SAARC Summit. Our Prime Minister had conveyed that Jammu and Kashmir already enjoyed autonomy under the Indian Constitution and had in place a popular government elected through free and fair elections. However, there was clearly a lack of autonomy in POK and there had been no popular elections in Gilgit and Baltistan to determine the wishes and aspirations of the people. Against this background, I think it ought to be clear that concepts such as joint control or joint management over Jammu and Kashmir, which is an integral part of India, cannot be the basis of a settlement of the issue of Jammu and Kashmir.

So, I think these are some initial reactions which we thought we would share with you tonight on the basis of what we have heard so far, while we wait to see the full interview.

Question: There is some comment by interior Minister on Balochistan that India is funding...

Official Spokesperson: As far as any allegations about India's interference in Balochistan are concerned I would like to categorically reject these allegations as being utterly baseless and false.

Question: In the same interview President Musharraf has said that he would invite Prime Minister to attend a Cricket match?

Official Spokesperson: We have seen that excerpt but I do not have any response to share with you tonight.

Question: Do you think such grand statements on TV complicates sensitive peace process which is ongoing and there is a plan?

Official Spokesperson: Let me not characterize this interview in any such terms. Let us, as I said, wait to see the entire interview. I have tried to share with you our positions on some of the issues which have come out in the excerpts so far. Thank you.

142. Media Briefing by Official Spokesperson at the end of first day of talks between the Foreign Secretaries of India and Pakistan.

New Delhi, January 17, 2006.

Official Spokesperson: Good evening. As you know the talks between India and Pakistan at the Foreign Secretary level took place today and they would continue tomorrow. We are right now in the middle of the talks. Naturally, I am only going to give you a very general and broad brush idea of how the talks are going and the issues that are being discussed. We will have a fuller briefing tomorrow.

Today, the two delegations met for about two-and-a-half hours followed by a working lunch. Thereafter, the Pakistan Foreign Secretary called on Minister of State for External Affairs Shri E. Ahamed. These talks will continue tomorrow morning.

Today, the two Foreign Secretaries reviewed the second round of the Composite Dialogue Process and looked forward to the third round. They made very positive assessments of the developments that have been achieved, the milestones that have been achieved in the second round of the Composite Dialogue and they both looked forward to an even more productive third round.

Amongst the positive developments, which you already know, are the overall improvement in relations between the two countries, the building up of confidence and trust and the reduction of what has been called the "trust deficit", increased people-to-people contacts, several confidence building measures which have been put into place both in terms of connectivity as well as nuclear and conventional CBMs. These were all reviewed and looked at.

Generally, it was felt that a much larger number of people are traveling between the two countries, a much larger number of visas are being issued, people are going across for pilgrimages, greater bus and rail connectivity has been established or is to be established. In this context, I should mention that India told the Pakistan side that we intend to extend the Munnabao-Khokhrapar rail link down to Ajmer. This will greatly facilitate travel of pilgrims from Pakistan to Ajmer. The Government is already in touch with the rail authorities in this regard.

The issue of release of prisoners and fishermen, the increased numbers of prisoners and fishermen to whom consular access had been granted over the last year, the numbers that had been released was much greater than 2004 - these were reviewed, outstanding figures were talked about. The schedule and dates of meetings over the next few months in terms of expert/technical-level talks as well as talks for the six remaining subjects were exchanged and discussed. We will get a final picture on this by tomorrow.

Trade and economic relations were discussed. Positive trends in India-Pakistan trade were discerned and noted. In terms of the CBMs, of course, the ones that I have already told you like Amritsar-Nankana Sahib bus, the Amritsar-Lahore bus, the Munnabao-Khokhrapar rail link, the successful implementation of the Srinagar-Muzaffarabad bus, the opening of the LoC points – these were all the matters that came up in the review as positive achievements. India's assistance during the earthquake was greatly appreciated by the Pakistan Foreign Secretary right at the beginning of the meeting.

In terms of the nuclear CBMs, as you know, one of the successes of the second round of the Composite Dialogue was the completion of the Pre-notification of Ballistic Missiles Agreement and that was noted. In this regard it would be recalled that we had presented to Pakistan a draft for a Memorandum of Understanding on reduction of nuclear accidents or unauthorized use of nuclear weapons. They said that they were studying it but preliminary observations from the Pakistani side were handed over to us and a more detailed response or set of amendments will be given to us before the expert-level meetings later in the first half of this year.

The successful implementation of the hotline between the Foreign Secretaries was also discussed. Incidentally, it was mentioned by Pakistan's Foreign Secretary that it was very effectively used by us when the earthquake took place and we got through to them to check the welfare of the Indian High Commission and that was the only telephone that was working at that stage.

One of the other agreements which is already in place is the agreement to upgrade existing communication links between the DGMOs and in this regard, related military CBMs, we handed over two Non-Papers to the Pakistani side. The first one on an understanding on not to develop new posts and defence works along the LoC, and the second one regarding

holding of Brigade Commander level flag meetings. They accepted the two Non-Papers and they will be studying these.

The issue of early opening of consulates in Mumbai and Karachi was also discussed as were some other outstanding issues and some possible new CBMs but on these and others I would rather wait for tomorrow to give you a more complete picture.

Civil Aviation links were discussed. As you know we already have in place an agreement in principle to increase the flights to 24 (in number) and to add more destinations – one more destination. Media products and their free movement between India and Pakistan were discussed, as were other major issues like terrorism, drug trafficking etc.

So, this is the broad brush flavor I wanted to give you of today's meetings. I naturally cannot go into any specific details until the talks are over.

Question: There are reports that there are no takers for the Amritsar-Lahore bus because of some procedural problems. Has the state Government approached the MEA in this regard?

Answer: That is a matter that MEA has to work out with the state Government. Let us stick to India-Pakistan talks today.

Question: Was Jammu and Kashmir discussed during today's talks?

Answer: Jammu and Kashmir will be discussed tomorrow. That is the second subject at the Foreign Secretaries' level. As I told you yesterday, as per normal pattern the first day is a review and peace and security including CBMs. Tomorrow we do J&K.

Question: On terrorism any specific...

Answer: This is an overall review in terms of peace and security.

Question: Did India specifically raise the attacks in Delhi and Bangalore and the hand of Pakistan based terrorist groups?

Answer: No, there was no specific discussion of specific cases. But the overall concerns that we have on terrorism were placed on the table.

Question: On the opening of consulates, since the opening of the Pakistani consulate in Mumbai is stuck, is Delhi offering anything to facilitate that opening or is Pakistan willing to operate from a hotel?

Answer: Let me say that they discussed the difficulties that they had recently in renting a building and we offered them all our support in terms of approaching the state Government to facilitate their being able to rent appropriate premises.

Question: Siachen and Sir Creek are two issues where agreements are waiting to happen sooner than others. Any decision in this regard?

Answer: They were mentioned today in general terms but I would again wait for tomorrow to give you a more detailed assessment of where they stand. It would be premature for me to say anything on this today.

Question: What was the Pakistani stand on our proposal to extend the rail link to Ajmer?

Answer: That was appreciated. That is all within India.

Question: Will there be a Joint Statement tomorrow?

Answer: Let us wait till the end of the meeting. How do I tell you the result before the process?

Question: You mentioned about the holding of Brigade Commander Meetings, the Non-Paper. Would this be all along the LOC and would it also entail some hotlines between the Brigade Commanders?

Answer: These are initial ideas that have been conveyed from the Indian side to the Pakistani side. I think before they study it and come back with a reaction it would not be correct for me to give you details of what has been handed over.

Question: Any fresh proposals from their side?

Answer: They have come out with some ideas related to various nuclear CBM issues.

Question: They had proposed discussions on conventional CBMs. Was that part of today's discussions?

Answer: Conventional CBMs were part of the discussions. They were discussed as I mentioned to you – the upgradation of the DGMO link and in terms of the two Non-Papers that I mentioned to you. These all come under the conventional CBMs.

Question: Any review of the October 2003 ceasefire?

Answer: No. It is November 2003.

Question: Did Balochistan find any mention in the talks?

Answer: Yes, Pakistan took up the issue of the statement that we had made and Foreign Secretary responded to that. In his response Foreign Secretary said that official statement had been made which spoke for itself. It had been made because a certain situation was developing in our neighborhood which was of concern to us and he rejected the unfounded allegations about India's interference in Balochistan.

Question: Did they make the allegation even at the meeting?

Answer: Pakistan side did raise the Balochistan issue and our statement.

Thank you.

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143. Special Media Briefing by Foreign Secretary on the conclusion of India-Pakistan Foreign Secretary level talks.

New Delhi, January 18, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good evening everybody and welcome to this special briefing by the Foreign Secretary on the just concluded discussions between India and Pakistan at the FS level. Foreign Secretary is, of course, also accompanied by High Commissioner Menon. May I first request the Foreign Secretary to address the Press and then he will take questions subject to availability of time.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Thank you very much and good evening to all of you.

As you are aware, we have just concluded the inaugural session, in a sense, of the Third Round of the Composite Dialogue between India and Pakistan. This first meeting of the Third Round focused on two connected issues. One is peace and security including confidence-building measures and the other is Jammu and Kashmir. So, we had two sessions spreading over the last couple of days. We concluded the last session today.

I think, yesterday Spokesman was able to give you some idea of the issues that were discussed during yesterday's meeting on peace and security and confidence-building measures. Today we focused on Jammu and Kashmir. We had a review of the Second Round of our Composite Dialogue. It would be fair to say that both sides assessed the results of the Second Round in a positive manner.

There are a number of things that were achieved during the Second Round. I will draw your attention to some of the recent achievements. For example, we were able to conclude an agreement on the pre-notification of missile tests; we were able to also inaugurate the Srinagar-Muzaffarabad bus service; we were able to also agree on meeting points along the Line of Control; with the earthquake which took place sometime back, we also agreed upon five crossing points at the LoC; we have also quite significantly increased the exchange of peoples across the borders. According to the figures that we have, in 2004 the visas issued by the Indian High Commission in Islamabad was roughly about 60,000 and in 2005 it exceeded 90,000. So, you can see a very significant jump in terms of the exchange of peoples across the border.

There have been other important developments as well. As you are aware, there has been an upgradation of the existing DGMO-link between the two Director Generals of Military Operations. There is now an optical fibre hotline between them. There is also a hotline between the Pakistani Foreign Secretary and myself. We have agreement on a draft Memorandum of Understanding on narcotics-related issues. This has been agreed upon. It is going to be initialed at a subsequent meeting. We have an agreement on amending the 1975 Shipping Protocol. We are also looking at the possibility of concluding a new maritime, shipping agreement, between the two sides.

We have also signed agreements for the Amritsar-Lahore bus service as also the Amritsar-Nankana Sahib bus service. We are currently in the process of making arrangements for operationalising these two routes. We have also completed whatever arrangements were required for operationalisation of the Khokhrapar-Munabao rail link. We expect that this rail link will be operationalised early next month. Decks have been cleared also for the re-opening of the Consulates in Mumbai and in Karachi respectively.

So, if you look at the various achievements of the Second Round, I think it would be fair to say that the Second Round was certainly very

productive, certainly much more successful than the First Round. Based on that very solid foundation we are approaching the Third Round of our Composite Dialogue.

We have given to the Pakistani side a calendar and schedule of meetings for the Third Round stretching up to July and also a schedule for technical level meetings. By and large this particular schedule has been agreed to by both sides, though there will be obviously some adjustment of dates required in specific cases.

We also looked at a number of items that we have been discussing, for example, exchange of prisoners. Satisfaction was expressed that we have made actually a considerable amount of headway on that, and we are looking at ways in which we can improve this further.

As you know, we have handed over to the Pakistani side some amendments to the Consular Agreement. We were happy to receive from the Pakistani side a document setting out how we could perhaps take care of the inadvertent crossings of the LoC or the border and we are very happy to look at that.

We have also looked at some military CBMs, for example, not undertaking any fresh construction within 500 metres of the LoC, confining ourselves to just the improvement of existing structures but not creating new posts, for example, along the LoC.

One of the most important and very encouraging features is that for the last two years the ceasefire has held. Not only has the ceasefire held but I think there has been a scrupulous observance of the ceasefire on both sides. This is a very positive development. So, it was with some degree of optimism that we have now initiated the Third Round of our dialogue.

In this respect we are looking at some fresh ideas. For example, as you may be aware, we had given Pakistan a document relating to reducing the risk of nuclear accidents or unauthorized use of nuclear weapons. There have been some responses on some elements by Pakistan. We have agreed that we will continue our discussion on this with a view to reaching an early agreement. We have an understanding that we will conclude an agreement on prevention of incidents at sea in order to ensure the safety of navigation by naval vessels as well as aircraft belonging to the two sides. In this respect Pakistan has offered to give us a document which we can look at.

I have already mentioned to you the possibility of an agreement on the maintenance of tranquility on the LoC, particularly in terms of the undertaking of any new activity along the LoC. We have also proposed modalities for the conduct of monthly flag meetings between local Commanders at selected sectors. Both sides have handed over suggested modalities for such meetings.

Today, as I mentioned, we discussed Jammu and Kashmir. Here we have really, in a sense, carried forward a very substantive dialogue that we have been having on the issue of Jammu and Kashmir. The Indian viewpoint is that what are regarded as purely confidence-building measures by Pakistan are actually integral to the process of finding a final settlement to the Jammu and Kashmir issue. These are not in different compartments. So, the flexibility that has been shown by both sides in reaching agreement on the arrangements for the Srinagar-Muzaffarabad bus service or the agreement that we were able to reach on the opening of certain crossing points on the LoC - this is a sensitive area - the fact that we were able to reach agreement shows that we have been able to develop a degree of mutual trust and confidence. This is a process which we are taking forward. We had today, it would be fair to say, a rather substantive dialogue on the issue of Jammu and Kashmir.

The vision with which we are working is a vision which has been articulated by Prime Minister Dr. Manmohan Singh, which is a vision of peace and friendship between India and Pakistan, a departure from a history of conflict and mutual recrimination between the two sides to a future of friendship, cooperation not only for the welfare of the people of India and Pakistan but in the larger context of making this region, the region of South Asia, a region of peace or prosperity or dynamic prosperity, becoming a part and parcel of the larger Asian resurgence that is taking place all around us.

In this respect, obviously there are political limitations on both sides. Prime Minister has said that we are not in a position to redraw boundaries. We are not in a position really to look at territorial adjustments. But short of that, whatever is required in order to give comfort to people on both sides of the LoC, allow a free flow of people, free flow of goods, free flow of ideas and create opportunities for the celebration of the obvious cultural affinity which exists between the people of the two sides.

So, our approach to the issue of Jammu and Kashmir is that this is part and parcel of that larger search for peace and friendship between the

two countries. It is in that context that we should look at Jammu and Kashmir. That is the spirit with which we have approached the substantive talks that we have had today.

Again, it would be fair to say that there has been some movement. For example, we have agreed that there should be early operationalisation of the Poonch-Rawalakot bus service. We hope that the arrangements would be completed in terms of the infrastructure for enabling us to operationalise this, hopefully by March, or April maybe, this year.

We have also agreed to overcome the damage that has taken place on the Srinagar-Muzaffarabad bus route. We are hopeful that by March we should be able to make operational the bridge, the Aman Setu, which has been damaged during the earthquake. The normal bus service can then resume.

We for our part have also recommended additional bus routes. For example, we have recommended Kargil and Skardu. We hope that this would be something that can be operationalised at an early date. There is already a longstanding request from our side for the Jammu-Sialkot bus route.

You would recall that we have spoken earlier about five meeting points along the Line of Control. During this round it was agreed that we should try and operationalise at least two of these which are easier to operationalise. We will have some technical level discussion about the operationalisation and certain practical modalities like creating of an enclosure on either side of the LoC, of what would be the arrangements for people coming from the Indian side and people coming from the Pakistani side. We will try to make it as convenient, as easy as possible for people on both sides. So, these are important developments. I think this would enable us to carry forward in a positive manner our very substantive engagement on the issue of Jammu and Kashmir.

During his stay here in Delhi, the Pakistan Foreign Secretary called on the Minister of State for External Affairs, Mr. E. Ahamed. That was yesterday. This evening, just before I came for this briefing, he also called on Prime Minister Dr. Manmohan Singh.

Now, I would like to stress that one major theme in discussing India-Pakistan relations and also discussing the issue of Jammu and Kashmir is the issue of terrorism. It was conveyed in a friendly but in a very frank manner

that our ability to carry forward the peace process, our ability to take this dialogue process in a positive direction is very much related to the creating of an atmosphere which is free of violence. In that respect we drew attention to the fact that despite the assurances that we have received at the highest level from Pakistan, there is no end to cross-border terrorism.

We believe that the infrastructure of terrorism still continues to exist. We drew attention to the recent and serious incidents, terrorist incidents, which have taken place in India. You are aware of the bomb blasts in Delhi, the incident at Bangalore. These create a sense that all that needs to be done in order to curb cross-border terrorism, to really eliminate this atmosphere of violence, whether it is in Jammu and Kashmir or anywhere else in India, this is something which needs to be seriously addressed. We say this in a constructive spirit, in a spirit of friendship because we really do not wish this to be a question mark which hangs over the peace process. We believe, as Pakistan's leaders themselves have conveyed to us, that terrorism is as much a threat to Pakistan and its security as it is to India. They have committed themselves to working together with India in confronting the phenomenon of terrorism. More needs to be done. We need to work together in order to deal with the issue of terrorism¹.

So, this message has been given both at my level and Prime Minister also referred to this issue. For us this is a very critical issue. So, we would hope that in the coming weeks and months we will see a perceptible change in this area and that the assurances that have been conveyed to us on a number of occasions in the past, these are implemented with sincerity.

1. In a related development, Pakistan President accused New Delhi of providing support to rebels in Balochistan. In an interview to an Indian TV channel he claimed there was proof that India was providing support to the Baloch nationalist forces whom he described as "anti-government and anti-me". Indian involvement in Balochistan included "financial support" and "support in kind". He said he was disappointed and annoyed over the concern expressed by India over military operations in the province. But he added the "irritant" would not be allowed to upset the peace process. "It (the allegation over Balochistan) should not be a setback to the process of dialogue on the resolution of disputes. I am not only disappointed but annoyed....Now that you are asking, definitely it is a direct interference in our internal affairs." However on January 11 in a satellite interview to an Indian daily *the Hindu* the Nawab Akbar Khan Bugti slammed Musharraf's claim that India was providing support to the rebellion. "President Musharraf is using his favourite weapon –lie". "His objective is to defame the legitimate demands of the people of Balochistan". "What is the need for us to take any thing from any one", he asked. "The weapons we are now using flowed into this region when the United States financed the Jihad in Afghanistan. It was the Inter-Services Intelligence which distributed them to Afghanistan, Iran Jammu and Kashmir –and to us in Balochistan."

Prime Minister, during his meeting with the Pakistan Foreign Secretary, also referred to his vision of a future, a very bright future, for India-Pakistan relations and his personal commitment to that future - a future of friendship, a future of cooperation. What he said was, 'I want permanent friendship between India and Pakistan'. So, that is the spirit in which we have had these talks during the last couple of days. This is the spirit in which we will carry forward this process.

Thank you very much.

QUESTION: *You said that what Pakistan regards mere CBMs, India considers them a useful step towards final solution. Does it not indicate that Pakistan's stand on Kashmir is far from flexible? My second question is whether it is the war of word on Balochistan or terrorist incidents in Delhi and Bangalore, how far these impacted the third round of talks?*

FOREIGN SECRETARY: *What I have told you is that whatever talks have been held they have been in a friendly manner. But there was also a candid atmosphere. If we do not look for frank solution to the problems before us, how will be take forward the relations between us? How will we strengthen them further? These are the problems. But there are also some positive developments which should be kept in view.*

You have mentioned war of words: but as far as I remember there was no war of words: they clarified their stand. We also made our stand clear. What ever was talked yesterday the Spokesman briefed you on that; we have told you that we raised the issue of terrorist attacks in Delhi and Bangalore. If such incidents continue to take place, it is obvious that it would impact the on-going dialogue between us as also the bilateral relations. Keeping this in view we have suggested that there should be some seriousness from the Pakistani side also that whatever steps to stop the cross-border terrorism have been taken these are not sufficient.

QUESTION: *Is Pakistan really flexible if*

FOREIGN SECRETARY: *We have told you what our stand is. The CBMs are a part of that process. The solution of Kashmir problem that we want to find out, it is quite significant in that process. As we told you in this round too some more steps have been taken. As I said there will be a substantive dialogue between us. It is possible there may be perhaps some differences in the thinking between the two. But if they too want to take this process forward, we also want to take it forward, then this will be another step in our relations.*

QUESTION: Just rephrasing Abhisar's question, when you said that this is India's perception about CBMs being part of the integral process, that clearly indicates that it is not Islamabad's perception. Was that the broad nature of what you are describing as a very frank discussion?

FOREIGN SECRETARY: I think one should not exaggerate the difference in perception on this issue. As long as there is a willingness on both sides to adopt more confidence-building measures, as long as there is an agreement on both sides that we should allow larger and larger numbers of people to cross the frontiers to meet each other, to interact with each other, these are positive developments from our side. Let me say that there is no hesitation on our part to also react to whatever proposals or whatever ideas Pakistan may bring with regard to Jammu and Kashmir issue. There is a willingness on our part to look at whatever is put forward before us.

QUESTION: Was it reciprocated with the kind of positiveness that you are trying to ...

FOREIGN SECRETARY: I have just mentioned to you that we have adopted a number of measures in order to do precisely what we say; (it) is very important to the process, that is, to increase the opportunities for people on both sides of the LoC to interact with each other. We are looking at, for example, operationalising as early as possible a cross-LoC train. We have agreed to open at least one new bus route between the two sides. These may not seem to be very dramatic measures. But these are all measures which really take us closer to the objective of finding a final settlement to the Jammu and Kashmir issue.

QUESTION: Do not you think there is a stalemate?

FOREIGN SECRETARY: I would certainly not describe this as a stalemate. I think we are making progress and the outlook is good. I have frankly mentioned to you what could be the possible question marks over this process which is there.

QUESTION: You talked about the Kashmir specific CBMs. Can you elaborate a bit more on that? Did Pakistan give you any proposal, on what General Musharraf has been talking, about self-governance and things like that?

FOREIGN SECRETARY: We have spoken about self-governance. For us self-governance is something which means that there should be representative institutions. There should be institutions which reflect the

concerns and aspirations of people. On our side of the LoC we believe that such institutions exist. There is an elected Assembly there. We would hope that there are similar representative entities on the Pakistani side of the Line of Control whether it relates to Pakistan-occupied Kashmir, whether it relates to Gilgit or Baltistan. So, we are willing to hear from Pakistan what are the kind of steps that would be taken, for example, with regard to such representative institutions being created on the other side. We can then look at some areas where we can work together, these representative institutions can work together. We have common concerns, for example, relating to environment. Or, we could work together on common issues like tourism promotion. There are opportunities which can open up if we move in that direction. So, we have an open mind. If there are any specific suggestions in this regard, we will look at them. But I have also given to you the parameters within which we can approach this, which is what Prime Minister has already spelt out.

QUESTION: When you spoke about cross-border terrorism, what was the response of Pakistanis? Did they make any pledges to say they would do anything? What was their response to your concerns on cross-border terrorism?

FOREIGN SECRETARY: The response was that Pakistan is deeply committed to the struggle against terrorism, and that Pakistan would not allow any part of the territory under its control for terrorism against India.

QUESTION: Do you believe that?

FOREIGN SECRETARY: I have already mentioned to you that while some steps may have been taken, these steps are not enough. So, we would hope that further steps would be taken to control cross-border terrorism.

QUESTION: During the discussions today, did the Pakistani side present any proposal or a non-paper on self-governance issue to India?

FOREIGN SECRETARY: No, Sir.

QUESTION: Is there any Joint Statement that you are going to issue today?

FOREIGN SECRETARY: It is being worked on. We have just finished the meeting with the Prime Minister. It is being finalized.

QUESTION: Just a clarification. Which is the bus service you have agreed on?

FOREIGN SECRETARY: Poonch-Rawalakot.

QUESTION: What are the LoC points?

FOREIGN SECRETARY: As I mentioned, we are going to look at what would be the two most suitable points from the point of view of ease of access. That is something we will be having technical level discussions on, on some of these cross-LoC arrangements. In that technical level meeting we would also look at which are the two most suitable points.

QUESTION: You have mentioned that the Foreign Secretary met the Prime Minister. Did he invite Prime Minister Manmohan Singh to Pakistan?

FOREIGN SECRETARY: Yes, the Foreign Secretary did extend an invitation, or rather reiterated President Musharraf's invitation to Prime Minister to visit Pakistan. Prime Minister said that he was very keen to visit Pakistan and an appropriate occasion would be found for this visit. He also said that he would like this visit to be a substantive visit.

QUESTION: Did the Pakistani side raise self-governance and demilitarization in any way? Was there any discussion on Siachen?

FOREIGN SECRETARY: I just mentioned to you that the self-governance was raised and what we have discussed.

QUESTION: And on Siachen?

FOREIGN SECRETARY: Yes, we have conducted further exchange of views on Siachen. We have to look at the modalities with regard to a possible disengagement of forces in Siachen. But those modalities will need further discussion.

QUESTION: Demilitarisation?

FOREIGN SECRETARY: I think we have already spelt out for you what our response to the issue of demilitarization is. This is something which is a sovereign decision of the Government of India. The deployment of security forces or their redeployment is something which is linked to our assessment of the security environment in a particular place. What we have said is that as long as there is a perceptible improvement, there is an end to terrorism, to acts of violence, then why just two or three points that are being mentioned, we would like the entire LoC and border between

India and Pakistan to have as thin a deployment of forces as is possible. If we establish a relationship of trust and confidence, of peace and friendship, if this border, this LoC becomes a line of friendship, then there is no need for deployment of large forces on either side. That is our perspective.

QUESTION: There are two military CBMs which Pakistan has proposed. One is on declaring South Asia 'anti-ballistic missile free zone' and the other is non-deployment of strike formations of the army on the borders. What is your view on these two proposals? If these were to be accepted, do you think it would inject a new lease of life in Indo-Pak relations?

FOREIGN SECRETARY: I think there is already a considerable lease of life in India-Pakistan relations. I do not think we need to look around for other leases of life. As far as this proposal is concerned on 'anti-ballistic missile free zone', we are only looking at the research and development aspect of anti-ballistic missiles. We are not already creating anti-ballistic missile defences in India. This is something we are looking at as a concept. We are examining it. This is not really the stage to talk about these kinds of concepts. With regard to deployment or redeployment of strike forces, I think I have answered that question. What we would like to really see is that the entire border and Line of Control should become a border of peace and tranquility. That would lead to, almost as a natural corollary, a thinning of forces as well as a redeployment of forces. This is what we would be looking at. We would like to be more ambitious in this regard.

QUESTION: My question pertains to Siachen. They were informed that before demilitarization one needs to demarcate and as such have a border in place on Siachen. From our side, that was the idea given across. Have they come across? How have they reacted to the concept of drawing a line, or making a border or a line of control as far as Siachen is concerned?

FOREIGN SECRETARY: What we have been talking about is a possible redeployment of forces and thereby creating a zone of disengagement. Such a zone of disengagement would have to acknowledge the positions which are currently there and from which there would be redeployment taking place. What we are trying to see is workout the modalities of how this is going to be actually translated into an agreement. The discussions are ongoing. We have made some progress. We are hopeful that we would make further progress as these talks proceed.

QUESTION: Whatever you said in response to the military CBMs and the non-deployment of strike formations, have you conveyed to the Pakistan side as well?

FOREIGN SECRETARY: I have just told you what our view is on this whole aspect of creating demilitarized zones or removal of strike forces from the border. Our view is that - (1) there has to be a significant improvement in the security environment; (2) why should we limit ourselves to certain specific areas? We would like there to be a border of peace and tranquility through the entire stretch of India and Pakistan border.

QUESTION: Did Pakistani side specifically bring up President Musharraf's idea of demilitarization that he has talked about? Did that come up?

FOREIGN SECRETARY: Yes, reference was made. As I said, reference was made both to the concept of self-governance as well as to the concept of demilitarization. I have given you what our view on these concepts is.

QUESTION: In a recent interview the President of Pakistan talked about three districts in our part of Kashmir, that troops be taken out from these three districts. The implicit assurance perhaps was that this would lead to a substantial decrease in terrorist violence in the Valley. This also leads us to the inference that they have some control over people who are operating inside the Valley. Was this point specifically raised by our side to them and what was their response?

FOREIGN SECRETARY: You are aware that when this interview took place there was a response from our Spokesman to precisely the question that you are referring to. We have never accepted that there is any kind of link between the reduction of violence or terrorism with either demilitarization or any other steps to be taken. Terrorism is terrorism. There is no cause which justifies the killing of innocent men, women and children, full stop. So, there cannot be any kind of bargaining with this. You cannot use terrorism as a bargaining chip. I think the Indian viewpoint is very clearly stated.

QUESTION: When are you meeting next?

FOREIGN SECRETARY: The current round will go on till July. We have already agreed that the various meetings on different subjects on the Composite Dialogue as well as the technical level meetings will take place over a six-month period.

I would also like to mention here, as you are aware, in October we also revived the Joint Commission between the two countries which is at the Foreign Minister level. At the first meeting itself we had agreed that we

will set up certain working groups for promoting cooperation between the two sides in different areas. For example, we had agreed that areas like health, areas like education, environment, are areas where we would set up specific working groups. So, it was agreed at our current meeting that these working groups in fact should be set up and they should meet even before the meeting of the Joint Commission. So, maybe we will agree to have this sometime during the middle of this period, have the first meeting of the Joint Working Group which we both agreed could be at the level of Joint Secretaries, and then we could just on the eve of the next meeting of the Joint Commission, we could review their recommendations with a view to adopting some of their recommendations.

QUESTION: Is any specific date set up for Foreign Secretary level talks?

FOREIGN SECRETARY: Generally speaking, it will be around July. But we have not really fixed the exact dates.

QUESTION: *When you raised the issue of terrorism, was the question of intelligence sharing also discussed?*

FOREIGN SECRETARY: *No sir, the intelligence sharing was not discussed. Perhaps you will remember during the last round of Foreign Ministers' talks, a decision was made to find an opportunity for discussion between their Federal Investigating Agency and our CBI. No such meeting has been held so far. We reminded them about this decision this time. It would be useful if such a meeting takes place at the earliest.*

QUESTION: We want more trade across the border. But Pakistan Cabinet yesterday took a decision not to ratify the SAFTA. Did you raise this issue with the Pakistani side?

FOREIGN SECRETARY: I was not aware that they have taken such a decision. Our view would be, of course, that SAFTA is an important and landmark agreement and all the members of SAARC should ratify it as early as possible.

Thank you very much indeed.

(The text in italics is translated from Hindi)

144. Joint Statement issued at the end of India-Pakistan Foreign Secretary level talks.

New Delhi, January 18, 2006.

1. The Foreign Secretaries of India and Pakistan met in New Delhi on 17-18 January 2006 to commence the third round of talks under the India-Pakistan Composite Dialogue framework. Foreign Secretary of India Shri Shyam Saran led the Indian delegation while the Pakistan delegation was led by Foreign Secretary Mr. Riaz Mohammad Khan. They discussed issues related to 'Peace and Security including CBMs' and 'Jammu and Kashmir'. The talks were held in a cordial atmosphere and were constructive.
2. The two Foreign Secretaries assessed the developments in bilateral relations and expressed satisfaction at the progress made during the Composite Dialogue process. The two sides reaffirmed their commitment to move forward the peace process in a meaningful way during the third round. They recalled the outcome of the discussions between the President of Pakistan and Prime Minister of India reflected in the Joint Statements of 6 January 2004, 24 September 2004, 18 April 2005 and 14 September 2005. Recalling the Joint Statement of 4 October 2005 issued at the conclusion of meeting of the Foreign Minister of Pakistan and the Minister for External Affairs of India, the two sides reiterated their resolve to carry forward the peace process and maintain its momentum.
3. On the issue of Peace and Security including CBMs, the two Foreign Secretaries reviewed and assessed positively the progress made during the meetings of experts on Nuclear and Conventional CBMs. The two Foreign Secretaries, with the objective of promoting a stable environment of peace and security, agreed to mandate the two experts groups to continue consultations on security concepts and nuclear doctrines to develop measures for confidence building in the nuclear and conventional fields aimed at avoidance of conflict, including, inter alia, consideration of the following:
 - (i) Continue discussions with a view to finalising an agreement on "Reducing Risk of Nuclear Accidents or Unauthorised Use of Nuclear Weapons", on which a draft has been presented by India;

- (ii) Conclusion of an agreement on prevention of incidents at sea in order to ensure safety of navigation by naval vessels, and aircraft belonging to the two sides. The Pakistani side indicated that they will present a draft of such an agreement;
 - (iii) Elaborating, consistent with its intent, the agreement reached on no development of new posts and defence works along the LoC. The Indian side handed over proposed elements;
 - (iv) Modalities for the conduct of already agreed monthly flag meetings between local commanders at the selected sectors. Both sides handed over suggested modalities.
4. The two Foreign Secretaries had a detailed exchange of views on Jammu & Kashmir and agreed to continue the sustained dialogue in a purposeful and forward looking manner to find a peaceful and negotiated final settlement.
 5. The Foreign Secretaries noted with satisfaction the opening of the five crossing points across the Line of Control, and hoped that the process of promoting greater interaction between the divided families would get further impetus. They reiterated their commitment to start a bus service between Poonch and Rawalakot and a truck service on Muzaffarabad-Srinagar route for trade in permitted goods as soon as the infrastructure damaged during the October 2005 earthquake is restored.
 6. The two Foreign Secretaries recalled their decision of 2004 regarding provision of consular access to all civilian prisoners and fishermen and their early repatriation on humanitarian grounds.
 7. Both sides reiterated their resolve to simultaneously reopen their respective Consulates General in Mumbai and Karachi and to facilitate the process.
 8. Both sides discussed the schedule of meetings, including technical level meetings, under the Composite Dialogue framework. The Foreign Secretaries and Foreign Ministers will meet thereafter to review the third round of the Composite Dialogue.
 9. Both sides also agreed to hold early meetings of the technical level working groups of the Joint Commission on Agriculture, Health, Science & Technology, Information, Education, I.T. &

Telecommunication, Environment and Tourism so that they can report their progress to the Joint Commission.

10. The Foreign Secretary of Pakistan called on Prime Minister Dr. Manmohan Singh and Minister of State for External Affairs, Shri E. Ahmed during the course of his visit to New Delhi.

F F F F F

145. Joint Statement issued at the end of India-Pakistan meeting for operationalisation of Munabao-Khokhrapar rail link.

Islamabad, January 31, 2006.

The railway delegations of Pakistan and India met on 30-31 January, 2006 in Islamabad to finalize the Agreement for operationalisation of rail link between Zero Point Railway station near Khokhrapar (Pakistan) and Munabao (India).

The Pakistan delegation was led by Mr. Mushtaq Khan Jadoon, Additional General Manager (Passengers), Pakistan Railways, Government of Pakistan while the Indian delegation was led by Mr. Ashok Gupta, Adviser, Traffic, Ministry of Railways, Government of India.

The two sides signed the Agreement on the establishment of rail link via Zero Point Railway Station near Khokhrapar (Pakistan) and Munabao (India) and also agreed to various technical modalities for the running of the Thar Express.

The Thar Express will run every Saturday and return the same day. The first train with Pakistani rake will start on February 18, 2006.

The talks were held in a friendly and cordial atmosphere.

F F F F F

146. Media briefing by Official Spokesperson about Firing on Indian fishermen by Pakistan Maritime Shipping Agency.

New Delhi, February 16, 2006.

In the early hours of 13 February, an Indian fisherman Shri Shantilal Mangal, aged 21 years, was killed in firing by a Pakistan Maritime Shipping Agency (PMSA) ship. The Indian fishing boat, Avani, was fishing along the notional maritime boundary in Indian waters west of Gujarat coast when it was fired upon. The rest of the crew returned with the body to Okha harbour.

The same day, Pakistan Maritime Security Agency ship, Vehdaat, towed away three Indian fishing boats - MNF Bhiva, MFB Puspak and MFB Shiv Mukti - along with the crew of about 25 members, which were fishing in Indian waters near the notional maritime boundary. An Indian Coast Guard ship was able to rescue one other Indian fishing boat along with its crew and bring back another boat which had been set on fire.

The Deputy High Commissioner of Pakistan in New Delhi was summoned today to the Ministry and a protest lodged against the killing of the unarmed fisherman. The matter is also being taken up by the Indian High Commission in Islamabad with Pakistan Foreign Office.

Government of India has demanded the immediate release of the fishermen and their boats.

Question: How many fishermen were arrested?

Answer: 25.

Question: How many Indian fishermen are there on the Pakistani side?

Answer: Yes, I have got some figures to add to that. There are about 400 Indian fishermen in Pakistani jails who were arrested between September 2005 and February 2006. There are 269 Indian fishing boats in Pakistani custody and these have been detained in the period October 2003 till now. As you know, though Pakistan released 1171 fishermen in 2005 it did not release the fishing boats. Previously, Pakistan used to release Indian fishermen and the fishing boats but during this last period Indian fishermen were released via Attari border without the fishing boats being released.

Question: How many Pakistani fishermen are there on the Indian side?

Answer: We have 59 Pakistani fishermen in India who were arrested during September 2005 to February 2006. The Pakistani fishermen are being granted consular access on February 16 i.e. today at Jamnagar. There are 37 Pakistani fishing boats in Indian custody which were detained during December 2003 till now. During last year 222 Pakistani fishermen were released.

Question: Why have they detained the fishing boats?

Answer: As I told you earlier, Pakistan used to release our fishermen along with their fishing boats, but since 2003 they have been retaining the fishing boats.

Question: How many Indian fishermen have been granted consular access?

Answer: Government of Pakistan, just to give you the complete picture, granted consular access to 313 Indian fishermen on January 30-31 and another 83 fishermen are awaiting consular access.

Question: India is allowing journalists from Pakistan for the Khokhrapar- Munnabao rail link inauguration. Is Pakistan doing the same?

Answer: What is your experience? I can tell you what India is doing. India had offered that Pakistani mediapersons could come to attend that function and return at the end of the function without visas. However, I understand that Pakistan would rather that anybody who came from there to here came on visas. So, visas are being issued to whoever is asking the Indian High Commission for visas. I understand that about 150 visas have been issued to Pakistani citizens including Pakistani journalists. As to why Indian journalists are not being given visas I think you should address the questions to the right quarters. Naturally, it would have been useful in promoting people-to-people contacts if Indian journalists had also been given visas.

Question: There were news reports that the visas would be stamped on the train. If that is true would the numbers go up?

Answer: As I said that we had offered that they could come without visas but now they want visas to be issued, so visas are being issued.

And, if there are more people wanting visas, subject to other things being in order and logistics being prepared, we have no objection in issuing these visas.

Question: Another clarification, the Indian fishermen who was killed, was he fishing in Indian waters?

Answer: As I said this fishing boat Avani on which Shantilal Mangal was fishing was in Indian waters within the notional maritime boundary. As you know the maritime boundary is not delineated, it is a notional boundary.

Question: Body is still....

Answer: It has returned to the Okha harbour.

F F F F F

147. Question in the Lok Sabha: “Use of Chemical Weapons by Pakistan”.

New Delhi, March 1, 2006.

Will the Prime Minister be pleased to state:

(a) whether Pakistani forces are using chemical weapons as reported in The Hindustan Times dated January 24, 2006;

(b) if so, the facts thereof;

(c) whether the use of chemical weapons by Pak forces is creating tension in the region, particularly in India; and

(d) if so, the reaction of the Union Government in this regard?

The Minister of State in the Ministry of External Affairs (Shri E. Ahamed):

(a) - (d) A statement is placed on the Table of the House.

STATEMENT

(a) - (b) It has been reported in the Pakistani media that Pakistani forces used chemical weapons in Balochistan recently.

On 24 December 2005, Senator Sanaullah Baloch of the Balochistan National Party (BNP) alleged that the army was using gas and chemicals against Balochs. On 24 December 2005, Senators belonging to the nationalist parties of Balochistan accused the military of using poison gas in Kohlu, Balochistan, and of carpet bombing civilians in the area. On 7 February 2006, Mr. Agha Shahid Hasan Bugti, Secretary-General of Jamhoori Watan Party (JWP), accused the paramilitary forces of firing chemical gas shells on civilian population in Dera Bugti, Balochistan. However, on 2 January 2006, the Spokesman of the Pakistan Army, Maj. Gen. Shaukat Sultan, rejected the reports that Pakistan security forces had used poisonous gas in operations in Balochistan.

(c) - (d) Government remains fully vigilant and will take all necessary steps to safeguard India's security and national interests.

F F F F F

148. Joint Statement issued at the end of Civil Aviation talks between India and Pakistan.

New Delhi, March 7, 2006.

Civil Aviation talks between India and Pakistan were held in New Delhi on 6-7 March 2006 to review existing bilateral arrangements. The Indian delegation was led by Shri Satendra Singh, Director General of Civil Aviation, Government of India and the Pakistan delegation was headed by Major General (Retd.) Mohammad Ashraf Chaudhry, Additional Secretary, Ministry of Defence, Government of Pakistan.

The talks were held in a friendly and cordial atmosphere. Both sides expressed desire to expand the scope of the existing Air Services Agreement and agreed to continue discussions for the enhancement of capacities, frequencies, and gateways for the benefit of the traveling public of the two countries.

F F F F F

149. Press Release of the Ministry of External Affairs conveying appreciation for humanitarian gesture shown by a Pakistani ship to an Indian ship.

New Delhi, March 8, 2006.

Government of India has also conveyed its appreciation to Government of Pakistan for the humanitarian gesture shown by Pakistan Maritime Security Agency (PMSA) ship, MSS Rehmat, to an Indian ship Dhow Fateh Salamat on February 27, 2006. The Indian ship had developed engine trouble about 170 nautical miles south-west of Karachi. MSS Rehmat had provided food and drinking water for those stranded in the Indian ship and towed it to the notional international maritime boundary from where it was brought back to India by an Indian Coast Guard ship.

F F F F F

150. Press Release of the Ministry of External Affairs on Government of India's protest to Pakistan against proposed construction of Bhasha dam.

New Delhi, March 8, 2006.

The Government of India conveyed through diplomatic channels today to the Government of Pakistan, its protest against the proposed construction of Bhasha dam in territory that is part of the State of Jammu & Kashmir, which is an integral part of India by virtue of its accession to it in 1947. The reservoir of this dam, according to media reports, will inundate large parts of land which falls in the northern part of the State of Jammu & Kashmir.

F F F F F

151. Press Release of the Ministry of External Affairs responding to questions on news reports that some Pakistani Missions are circulating a new map of J&K.

New Delhi, March 10, 2006.

In response to questions on news reports that some Pakistani Missions are circulating a new map of J&K, the Official Spokesperson said:

We have seen reports in the Pakistani media that some Pakistani Missions are circulating a new map of Jammu & Kashmir which depicts the so-called Northern Areas (Gilgit-Baltistan) as a separate entity and only the rest of the state as J&K. However, the Pakistan Foreign Office has denied that it has circulated any new map. We would like to reaffirm that the region of Gilgit-Baltistan is a part of the State of J&K, which on the basis of its accession in 1947 is an integral part of India.

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152. Joint Statement issued on the conclusion of the 2nd Round of Technical Level Talks between Central Bureau of Investigation (India) - Federal Investigation Agency (Pakistan).

New Delhi, March 22, 2006.

1. The second round of Central Bureau of Investigation (India) - Federal Investigation Agency (Pakistan) Technical Level Talks was held on March 21 and 22, 2006 at CBI Head quarters, New Delhi. The CBI (India) delegation was led by Mr. Vijay Shanker, Director, CBI, while the FIA (Pakistan) delegation was led by Mr. Tariq Parvez, Director General, FIA.
2. The talks were held after a gap of almost 17 years following a decision during the Home Secretary Level talks in New Delhi in August, 2005. The deliberations were constructive and were held in a cordial atmosphere. Both sides identified areas of mutual interest and agreed to work out the modalities of cooperation.
3. A Joint Study Group will be set up to decide upon the modalities of

future cooperation in the areas of human trafficking, counterfeit currency and illegal immigration. It was also agreed by both sides to designate an officer each as the nodal point to pursue cooperation between CBI and FIA in these areas.

4. A decision was also taken to have periodical meetings at short intervals between the Interpol nodal points. All efforts will be made by both sides for expeditious disposal of pending Interpol references.
5. It was agreed that the two agencies will explore possible avenues of professional training and share experience in various fields of criminal investigation.
6. Director, CBI accepted an invitation from DG, FIA to visit Pakistan with his team of senior officers by the end of this year.

F F F F F

153. Speech by Prime Minister Dr. Manmohan Singh on the launch of Amritsar – Nankana Sahib Bus Service.

Amritsar, March 24, 2006.

Chief Minister of Punjab Sardar Amrinder Singhji, Brothers and Sisters!

I am extremely happy to be here in Amritsar on this very important occasion of the launch of a regular bus service between Amritsar and Nankana Sahib. This is indeed a memorable day for Punjab. This is a historic day for the entire Sikh community, both in Punjab and elsewhere. This is a historic day for the Panth. In many ways, it is a historic day for both India and Pakistan.

Ever since the Independence of our country in 1947, every morning, every devout Sikh prays to let us have free access to the Gurudwaras left behind in Pakistan. And among the Gurudwaras, Nankana Sahib is the holiest and most important. Our government has made sincere efforts in this direction and this bus service between Amritsar and Nankana Sahib is a result of this.

This is an emotional day for every Sikh. And for me too. Memories

of the partition of 1947 and my own travel from Pakistan to India come vividly to my mind. My heart swells with pride to launch this bus service connecting two of the holiest sites for the Sikh Panth. On this historic occasion I send my greetings to the people of Pakistan and to President Pervez Musharraf.

Brothers and Sisters, We need more such links between the two countries in the months and years to come. For this, we require friendly relations between India and Pakistan. I hope this bus service opens yet another chapter in improving the relations between our two countries. When President Musharraf had come to visit us in New Delhi last year I had said that "The journey of peace must be based on a step-by-step approach, but the road must be traveled." As an ancient saying goes, a road is made by walking.

I am happy that we are moving forward and creating a road, one step after another, even though many hurdles have come up along the way. The bus service from Srinagar to Muzzafarabad was one step. The rail link from Munnabao to Khokrapar was another step. The steps we have taken to promote trade and to make travel and transport easier are all small but important steps forward. Today, we take another step. A historic step. This bus service from Amritsar to Nankana Sahib renews an emotional bond between the two sides of the border.

I have said repeatedly to President Musharraf and the people of Pakistan that we are sincerely committed to peace and development in this region. Our government is committed to resolving all outstanding issues with Pakistan, including the issue of Jammu & Kashmir. For this, I and General Musharraf have agreed that it is necessary to keep firm control over terrorism. There is a growing realization in both our countries that terrorism is an enemy of civilized societies. General Musharraf has taken bold steps to curb extremism and I compliment him for that. But more needs to be done in the interest of both India and Pakistan.

As I see it, the normalization of relations between India and Pakistan will open up enormous opportunities for an accelerated rate of economic growth. And for creating new job opportunities. Our trade potential is far in excess of what we are able to realize on the ground. There are many things that the two Punjabs can learn from each other's development experience. We must encourage people-to-people contacts between actors in civil society, between academics, businessmen, artistes, and most

importantly, the common people. It is through such contacts that we can explore a vision for a cooperative common future for our two nations – a future where peace prevails, where relations are friendly, where our citizens rejoice in the well-being of the other country.

I am aware that General Musharraf has often stated that the normalization of relations between our two countries cannot move forward unless what he calls the core issue of Jammu & Kashmir is dealt with. In my view, it is a mistake to link normalization of other relations with finding a solution to Jammu & Kashmir. But we are not afraid of discussing Jammu & Kashmir or of finding, pragmatic, practical solutions to resolve this issue as well.

A step-by-step approach has to be adopted given the inherent difficulties involved in finding practical solutions. I suggest that both sides should begin a dialogue with the people in their areas of control to improve the quality of governance so as to give the people on both sides a greater chance of leading a life of dignity and self respect.

I have often said that borders cannot be redrawn but we can work towards making them irrelevant – towards making them just lines on a map. People on both sides of the LOC should be able to move more freely and trade with one another.

I also envisage a situation where the two parts of Jammu & Kashmir can, with the active encouragement of the governments of India and Pakistan, work out cooperative, consultative mechanisms so as to maximize the gains of cooperation in solving problems of social and economic development of the region.

The vision that guides us is that the destinies of our peoples are interlinked. That our two countries must therefore devise effective cooperative strategies to give concrete shape and meaning to this shared vision. India sincerely believes that a strong, stable, prosperous and moderate Pakistan is in the interest of India and entire South Asia. We are sincerely committed to the prosperity, unity, development and well-being of Pakistan. We want good neighbourly relations. We want all the people of South Asia to live a life of dignity and self-respect. When our neighbours live in peace, we live in peace.

Brothers and Sisters, We must move forward. We want to move forward. We need to do much more to create the environment in which we

can move forward. It is possible for us to come to a meaningful agreement on issues like Siachen, Sir Creek, Baglihar. I am convinced we can move forward, if all concerned are willing to accept the ground realities; if all concerned take a long view of history and of our destiny. The time has come to leave behind the animosities and the misgivings of the past and to think the unthinkable of moving together in pursuit of our common objective of getting rid of chronic poverty, ignorance and disease that still afflict millions of our citizens. India and Pakistan must work together to open up new opportunities of economic cooperation, not only with South Asia, but also with West Asia and Central Asia. Cities like Lahore and Amritsar should once again become throbbing international commercial centers serving the entire region.

Instead of looking at each other as adversaries, we must have the courage to see each other as supporting the other for the realization of a better tomorrow for all the people of India and Pakistan. I have a vision that the peace making process must ultimately culminate in our two countries entering into a Treaty¹ of Peace, Security and Friendship to give meaning and substance to our quest for shared goals. I make this offer to the people of Pakistan on this historic occasion. I am sure the leadership of Pakistan will reciprocate.

Brothers and Sisters, Today is a day of hope for Punjab. Punjab has seen many years of great pain and sorrow. Punjab has seen many years of waste and violence. But the past is behind us. This Golden Land of ours is once again bounteous and filled with joy. Our government in Delhi and in Punjab have been working tirelessly for the development of the state.

I am delighted to inform you that during the recent past after my last visit our Government has taken several steps to restore the glory of Amritsar. We have sanctioned Rs. 72 crore to complete the Galiara Project around Sri Harmandir Sahib. We have established a Centre of Research on Sri Guru Granth Sahib Studies in the Guru Nanak Dev University. We have

1. There was some reaction to Prime Minister's proposal for a peace treaty from the Pakistani side. Foreign Minister Kasuri while welcoming the proposal maintained that all issues, including Kashmir should be resolved. In an informal chat with journalists in Lahore on 25 March Kasuri said the "positive tone" was appreciable. "We should seriously think why such efforts could not materialize." He said the composite dialogue being underway for the last two years had made much progress and covered many dimensions. "Nevertheless, we should not forget that we had fought three major wars on Kashmir and had been fighting on the Siachen for 25 years. We should realize that we have to resolve all the outstanding issues including the Kashmir issue."

allocated Rs. 48 crore for the completion of the Khalsa Heritage Project at Anandpur Sahib. I believe the first phase of it will be inaugurated next month.

I am happy to announce that we are taking further steps for the development of Amritsar. This is a holy city. A historic city with a great past. An international city whose people reside in all corners of the world. Both Amritsar and Ludhiana are covered under the new Jawaharlal Nehru National Urban Renewal Mission. Through this, we can fund the Sri Guru Ram Das Urban Development Project in Amritsar costing nearly Rs. 240 crore and an elevated road project costing Rs. 210 crore. The state government should pursue these on priority. The Amritsar-Wagah Road will be widened and made into a top class road so that it can become an international highway for trade, travel and tourism. We are taking steps for the upgradation of facilities at Attari Railway Station, being a major International Railway Station of the country. I am also happy that the state government has finalized the development of a Special Economic Zone in Amritsar. This city and its neighborhood had a great industrial past. We need to revive it and the SEZ is one such step.

I am also concerned about the problems being faced by industry which had come up in Goindwal Industrial Complex. I am confident that the Punjab Government will look into all the issues and come up with a package for its revival. I assure all necessary support from the Government of India in this regard.

I am also proud to announce that we have decided to hand over the historic Gobindgarh fort to the Punjab Government. A historic fort that has been so dear to the Punjabis is now once again their own.

Brothers and Sisters, Our Government has taken many steps for the development of Punjab. We have provided in the Union Budget a sum of Rs. 100 crore to the Punjab Agricultural University. This university must utilize these funds to generate a Second Green Revolution in Punjab. The hard working farmers of this lovely state feed the nation and made us secure as far as food is concerned. They created the first green revolution. We now need to move forward and transform the agriculture to the next level. As I travel across the country, I see states like Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu increasingly going for commercial agriculture centered around horticulture. Punjab farmers need to do the same if they are to keep ahead of the rest of the country. We will work with

the state government to realize this goal by establishing the necessary marketing and storage infrastructure and transport facilities. The high speed rail freight corridor connecting our Western and Eastern ports has been extended to Punjab to enable easy transport of goods. We are also working towards creating a second international airport in Punjab near Ludhiana and I hope this materializes in the coming months.

Brothers and sisters, Punjab has had a glorious history of industrial growth. Each town and city has been renowned for specific industrial products – bicycles, hosiery, machine tools, sports goods, etc. Over the last two decades, however, Punjab has lost its leadership role in many areas. We need a new wave of industrialization in the state. We need large industries which will generate demand for ancillary products. We need to provide technology and marketing support to small industries. We need to create a skilled pool of people who can drive this growth. We need to have better roads, transport facilities and power supply.

Steps are being taken towards this end. We have allocated 1500 MWs of power to Punjab from a Super Thermal Power Station to be set up in Chhattisgarh and 1200 MWs of power from other Power Stations in the country. Power supply in and around Amritsar will improve greatly through the creation of a major new sub-station at Amritsar at a cost of Rs 150 crore. We are establishing an Indian Institute of Science Education and Research in Punjab. I have directed the National Highways Authority of India to complete at an early date the 4-laning of widening of the following roads:

Amritsar-Jalandhar Road; Amritsar-Pathankot Road; Kiratpur-Chandigarh Road; Ambala-Chandigarh Road; and also take up early the 6-laning of Ambala-Jalandhar Road and Ludhiana-Chandigarh Road.

Our Government has also decided to develop on-port and off-port facilities at Wagah International Border. This includes reducing waiting time for immigration and custom formalities at Wagah. We will modernize customs infrastructure at Wagah and speed up security clearance. We propose to expand immigration, customs and security halls and increase number of counters, and provide better amenities. We will make it easier for the arrival and departure of jathas and delegations. An animal quarantine station will be set up for exporters of live stock. We will improve facilities for the Amritsar-Lahore buses. We are also improving the infrastructure for the Beating Retreat ceremony at Wagah border post.

Brothers and sisters, Punjab is the granary of India. Every farmer in Punjab is a proud soldier in our war against poverty and hunger. Your hard work has made India proud and prosperous. Your courage and enterprise makes each one of us proud. As a son of Punjab I salute every son and daughter of this great land. May your path be blessed. Jai Hind.

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154. Joint Statement on the meeting of the India-Pakistan Joint Study Group.

Islamabad, March 27, 2006.

1. The Meeting of the Joint Study Group, led by the Commerce Secretaries of Pakistan and India was held at Islamabad on 27th March 2006.
2. The lists of delegates of Pakistan and India, respectively is at Annex-I.
3. Commerce Secretary, Government of Pakistan welcomed the visiting delegation of India and stated that the primary objective of the Joint Study Group was to focus on putting in place facilitation measures to enhance bilateral trade; and to supplement deliberations on substantive trade issues being addressed in the Composite Dialogue Meetings. He emphasized the importance of facilitation measures to reduce cost of doing business and make exported products competitive in the markets of importing countries.
4. The Commerce Secretary, Government of India concurred with the views expressed by the Secretary Commerce, Government of Pakistan and intimated that the facilitation measures for trade are being emphasized by the Government of India at bilateral, regional and multilateral fora. Initiatives like computerization and electronic data interchange have been taken up and are likely to be completed during this year.
5. The Sub-Groups on “Customs Cooperation and Trade Facilitation Measures”; and “Non-Tariff Barriers” met after the Plenary Session.
6. The Sub-Group on “Customs Cooperation and Trade Facilitation Measures” reached consensus on:

- a) To explore the possibility of a bilateral agreement on Customs Cooperation.
 - b) To exchange information on the Certificates of Origin; import and export declarations; customs laws & procedures; valuation; trade statistics.
 - c) To encourage exchange of information electronically between the Customs of the two countries.
 - d) To identify areas for mutual technical assistance and capacity building.
7. The Sub-Group would endeavour to complete these exercises before the meeting of the next Joint Study Group.
 8. The Sub-Group on Non-Tariff Barriers, established the following two Working Groups:-
 - a) Working Group on Standards and Conformance
 - b) Working Group on Sanitary and Phyto-Sanitary Issues.
 9. Both the Working Groups had in-depth discussions and worked out a roadmap to finalise the Mutual Recognition Agreement (MRA) to facilitate trade.
 10. The reports of the two Sub-Groups were presented in the Second Session of the Joint Study Group in the afternoon of 27th March 2006.
 11. The Joint Study Group appreciated the outcome of the deliberations by the Sub-Groups and decided to continue the deliberations in the future meetings of the Joint Study Group.
 12. The next meeting of the Joint Study Group shall be held at India on a date convenient to both sides.
 13. The Commerce Secretary, Government of India appreciated the excellent arrangements made for the meeting and the hospitality extended by Pakistan to the visiting delegates.

155. Joint Statement on the Third Round of Pakistan-India talks on Economic and Commercial Cooperation.

Islamabad, March 29, 2006.

The Third Round of Pakistan-India talks on Economic and Commercial Cooperation within the framework of the Composite Dialogue was held on March 28-29, 2006 at Islamabad.

The Pakistan delegation was led by Secretary, Ministry of Commerce, Syed Asif Shah and the Indian delegation was led by Commerce Secretary, Shri S.N. Menon.

The talks were held in a cordial and constructive atmosphere. The two sides recognized the satisfactory progress on the initiatives agreed during the Second Round of the talks held in New Delhi on August 9-10, 2005. It was emphasized that the new Shipping Agreement would be signed in the near future at New Delhi; and the talks on Air Services Agreement would be concluded expeditiously.

The two sides agreed on the following:

- In line with the announcement of the Prime Minister of Pakistan on his visit to India in November 2004, to open branches of scheduled banks in each country, the central banks would process applications by banks expeditiously.
- To facilitate import of tea from India, both sides would encourage delegations of importers/exporters of tea to visit respective countries. It was also felt that after the new Shipping Agreement comes into effect, import of tea from India would be facilitated further.
- To identify the problems of transportation of goods by train between India and Pakistan, the relevant Ministries of both sides had a meeting on the sidelines of the talks. It was decided that they would continue their dialogue.
- Pakistan and India would constitute a Working Group to discuss the issues relating to joint registration of Basmati rice SGI.
- Pakistan would consider enlarging the list of importable items from India in consultation with stakeholders and after fulfilling legal and procedural requirements.
- India will provide detailed proposals for trade in IT-enabled medical

services and export insurance cooperation for consideration by Pakistan.

It was noted with satisfaction that the laying of optical fibre on the Indian side would be completed in the near future.

It was also noted that the initiative on liberalization of visa regime would be discussed in the relevant segment of the Composite Dialogue.

The Indian proposal to convene a meeting of the relevant technical level experts at the Attari-Wagah Border to draw up proposals to upgrade infrastructure to facilitate trade including export of transit cargo of Afghanistan, was noted by Pakistan.

An MOU on Assistance of Mutual Cooperation in Capital Markets has been conveyed by Pakistan SECP to their counterpart in India. It was agreed that India would communicate its response soon.

Both sides welcomed the ratification of SAFTA Agreement by all SAARC Member Countries and expressed the confidence that it would enhance regional trade.

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156. Joint Statement on the 4th Round of Pakistan-India Expert Level Dialogue on Nuclear Confidence Building Measures (CBMs).

Islamabad, April 26, 2006.

The fourth round of Pakistan-India Expert Level Dialogue on Nuclear Confidence Building Measures was held in Islamabad on 25-26 April 2006. The Pakistan delegation was led by Mr. Tariq Osman Hyder, Additional Secretary (United Nations), Ministry of Foreign Affairs. Mr. K.C. Singh, Additional Secretary (International Organizations), Ministry of External Affairs, led the Indian delegation to the talks. The visiting Indian delegation also called on the Minister of State for Foreign Affairs Makhdum Khusro Bakhtyar.

The two sides held discussions in a cordial and constructive atmosphere, in the framework of the Lahore MoU of 1999. As mandated by Foreign Secretaries the two sides continued consultations on security

concepts and nuclear doctrines to develop measures for confidence building. They reiterated their desire to keep working towards further elaboration and implementation of Nuclear CBMs within the framework of the Lahore MoU, with the objective of promoting a stable environment of peace and security between the two countries.

The two sides expressed their satisfaction on the signing of the Agreement on Pre-Notification of Flight Testing of Ballistic Missiles and the operationalization of the hotline link between the two Foreign Secretaries. These measures are, inter alia, intended to prevent misunderstanding and reduce risks relevant to nuclear issues. The two sides expressed their satisfaction on the signing of the Agreement on Pre-Notification of Flight Testing of Ballistic Missiles and the operationalization of the hotline link between the two Foreign Secretaries. These measures are, inter alia, intended to prevent misunderstanding and reduce risks relevant to nuclear issues. The two sides expressed their satisfaction on the signing of the Agreement on Pre-Notification of Flight Testing of Ballistic Missiles and the operationalization of the hotline link between the two Foreign Secretaries. These measures are, inter alia, intended to prevent misunderstanding and reduce risks relevant to nuclear issues.

The two sides held detailed discussions on the draft text of an agreement, the objective of which is to reduce the risk from accidents relating to nuclear weapons, and agreed to work towards its finalization.

Both sides discussed modalities for further securing the Foreign Secretaries hotline.

Both sides agreed that future periodic Expert Level talks on Nuclear CBMs would discuss, review and monitor the implementation of Nuclear CBMs as called for by the Lahore MoU of 1999. They also agreed to report the progress made in the present round of the talks to the respective Foreign Secretaries who will decide on the date and venue of the next Expert Level meeting on Nuclear CBMs.

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157. Joint Statement on the 3rd Round of Pakistan-India Expert Level Dialogue on Conventional Confidence Building Measures (CBMs).

Islamabad, April 27, 2006.

The third round of Pakistan-India Expert Level Dialogue on Conventional Confidence Building Measures (CBMs) was held in Islamabad on 27 April 2006. The Pakistan delegation was led by Mr. Tariq Osman Hyder, Additional Secretary (United Nations), Ministry of Foreign Affairs, and Mr. Dilip Sinha, Joint Secretary, Ministry of External Affairs, led the Indian delegation to the talks.

The two sides held discussions on Conventional CBMs in a cordial and constructive atmosphere.

As mandated by Foreign Secretaries the two sides continued consultations on security concepts to develop measures for confidence building in the conventional field aimed at avoidance of conflict.

As indicated in the Joint Statement of 18 January 2006, the Pakistan side presented a draft Agreement to the Indian side on the Prevention of Incidents at Sea in order to ensure safety of navigation by naval vessels, and aircraft belonging to the two sides.

The two sides agreed on the following CBMs aimed at avoidance of conflict:

- i) Finalisation of Border Ground Rules for implementation along the international border.
- ii) Modalities for holding quarterly flag meetings, and on needs basis, at sector level commanders in already agreed sectors. Modalities for communication in this context would be further discussed.
- iii) Elaborating, consistent with its intent, the agreement reached on no development of new posts and defence works along the LoC.
- iv) Finalisation of an agreement on speedy return of inadvertent line crosser(s).

Both sides agreed to periodically discuss further CBMs and to review and monitor the implementation of existing Conventional CBMs as called for in the Lahore MoU of 1999 and as mandated by the Foreign Secretaries in the Composite Dialogue process. They also agreed to report the progress

made in the present round of the talks to the respective Foreign Secretaries who will decide on the date and venue of the next Expert Level meeting on Conventional CBMs.

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158. Joint Statement issued after India-Pakistan technical level talks on enhancing interaction and cooperation across the Line of Control (LOC).

New Delhi, May 3, 2006.

In pursuance of the Joint Statement of 18 April 2005 and as mandated by the Foreign Secretaries on 18 January 2006, India-Pakistan technical level talks on enhancing interaction and cooperation across the LOC were held in New Delhi on 2-3 May 2006. The Indian delegation was headed by Shri Dilip Sinha, Joint Secretary, Ministry of External Affairs and the Pakistan delegation was led by Mr. Syed Ibne Abbas, Director General, Ministry of Foreign Affairs.

The talks were held in a cordial atmosphere. Both sides reviewed the operation of the Srinagar-Muzaffarabad bus service and of the five crossing points. Both sides agreed to expedite clearances of applications.

Both sides also agreed to start the Srinagar-Muzaffarabad truck service to facilitate cross-LOC trade in the first half of July 2006. The two sides exchanged indicative lists of goods for trade. It was agreed that the delegations from Chambers of Commerce from either side of the LOC will undertake visits at the earliest to discuss various aspects of the trade.

The two sides agreed that Poonch-Rawalakot bus service would commence from 19 June 2006. The procedures, documentation and modalities will be the same as for the Srinagar-Muzaffarabad bus service. Initially the bus service will operate on a fortnightly basis.

The two sides discussed modalities for operationalising the meeting points along the LOC as agreed upon earlier.

The two sides will report the progress in their talks to their respective Foreign Secretaries.

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159. Press Release of the Ministry of External Affairs on the Indian decision to release all 59 Pakistani fishermen in its custody on May 27.

New Delhi, May 23, 2006.

India has decided to release all 59 Pakistani fishermen in its custody on 27 May 2006 as a goodwill gesture. These fishermen will be sent back to Pakistan from Munabao (Rajasthan) by Thar express. They were taken into custody while fishing in Indian waters between September 2005 and February 2006. The Pakistani fishermen are being released unilaterally on humanitarian grounds.

There are 505 Indian fishermen in Pakistan who were taken into custody by Pakistani authorities between September 2005 and March 2006. There are in addition 287 Indian fishing boats in Pakistani custody detained since as far back as October 2003.

The Government of India is continuing its efforts to secure the release of Indian fishermen and their boats.

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160. Joint Press Release issued on the conclusion of Defence Secretary-level talks between India and Pakistan on the Siachen issue.

New Delhi, May 24, 2006.

1. The Defence Secretary-level talks between India and Pakistan on the Siachen issue in the framework of the Composite Dialogue were held in New Delhi on May 23-24, 2006. The Indian delegation was led by Shri Shekhar Dutt, Defence Secretary, and the Pakistan delegation by Lt Gen (Retd) Tariq Waseem Ghazi, Defence Secretary. The Defence Secretary of Pakistan called on Shri Pranab Mukherjee, Defence Minister of India and Shri MK Narayanan, National Security Advisor.
2. The two sides held frank and constructive discussions in a cordial atmosphere. They welcomed the successful continuation of the ceasefire since November 2003 and reaffirmed their commitment to it.
3. The Defence Secretaries agreed to continue the discussions to resolve the Siachen issue in a peaceful manner¹.

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1. Almost a month ahead of the Siachen talks National Security Advisor MK Narayanan had told journalists (on April 20) that India and Pakistan were “closer” to a “final point” on the Siachen problem. Talks were on to finalise the modalities for the authentication of the present troop positions, which could pave the way for the demilitarization of the world’s highest battlefield. He said India was keen on having “iron clad guarantees” from Pakistan to avoid a scenario in which India would have to “reclaim’ the positions it now occupied. “(Agreements) on Siachen and Sir Creek have been on the anvil for a long time. As far as Siachen is concerned the issue has been how do you authenticate the line where they (troops) are,” Mr. Narayanan said. Asked the minimum conditions that India would expect Pakistan to meet, he said “I don’t think we are laying any conditions,” “The only point is that we are occupying positions on the Saltoro Bridge. If we move back and if for some reason it becomes necessary to go back, it becomes so much more difficult,” he said.

161. Joint Press Statement on India-Pakistan talks on Sir Creek.

New Delhi, May 26, 2006.

1. India-Pakistan talks on Sir Creek were held on May 25-26, 2006 in New Delhi as part of the Composite Dialogue. The Indian delegation was led by Maj. Gen. M. Gopal Rao, Surveyor General of India and the Pakistan delegation was led by Rear Admiral Ahsan-ul-Haq Chaudhri, Additional Secretary, Ministry of Defence. The Pakistan delegation called on Shri Shekhar Dutt, Defence Secretary.
2. The talks were held in a friendly and cordial atmosphere.
3. The two sides discussed the delineation of India and Pakistan boundary in the Sir Creek Area and delimitation of India-Pakistan Maritime Boundary.
4. Both sides agreed on the early settlement of the land boundary in Sir Creek area and the maritime boundary and to conduct a joint survey of the Sir Creek and adjoining areas and waters between November 2006 and March 2007.
5. It was decided that:
 - a) Technical experts of the two sides would meet in Pakistan in August 2006 to work out the extent and modalities for the joint survey;
 - b) The hydrographers of the two countries, in the same meeting, would discuss modalities and propose options for delimitation of the maritime boundary.

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162. Joint Statement on the Third Round of the Pakistan-India Interior/ Home Secretary talks on Terrorism and Drugs Trafficking.

Islamabad, May 31, 2006.

1. The Third Round of the Pakistan-India Interior/ Home Secretary talks on Terrorism and Drugs Trafficking under the Composite Dialogue was held in Islamabad on 30-31 May 2006. The Pakistan delegation was led by Syed Kamal Shah, Secretary Ministry of Interior, Government of Pakistan, and the Indian delegation was headed by Mr. V. K. Duggal, Home Secretary, Government of India.
2. The talks were held in a frank, candid and cordial atmosphere¹.
3. Both sides reiterated their commitment to fight terrorism in all its forms and manifestations, and re-emphasized the need for effective steps for the complete elimination of this menace. They also underlined the need to pursue effective and sustained action against the terrorists².
4. Both sides welcomed the release of fishermen by each other on the eve of these talks. They also agreed to release the remaining fishermen by 30 June 2006.
5. Both sides agreed that fishermen and civilian prisoners, who have completed their prison sentences and have been granted consular

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1. After the meeting the Indian Home Secretary V. K. Duggal told the journalists that the two sides were making "step-by-step" progress. "If one is looking at step-by-step progress, it is a yes. The issues are fairly complicated. But if you are looking at whether the talks were successful, yes, we have moved a few steps forward. We spent three hours on all the issues and there is a movement forward," he said. Commenting on the talks, Duggal said: "the friendship and understanding" between the two countries and the efforts towards peace represented a "sincere commitment" on the part of the leadership on both sides to resolve all issues through "the path of dialogue and discussion." Informally officials who were in the meeting told the media that "Pakistan has agreed to go through the list with all its seriousness". In turn the Pakistan delegation handed over a list of 58 of its fugitives whom it wants traced by India. As far as the Indian list is concerned, it was handed over to Pakistan almost two years ago. As early as January 17, the Home Secretary Duggal had said in Amritsar that "India will reiterate its demand for the extradition of 20 persons named in a list of 'fugitives' submitted to the Government of Pakistan more than two years ago," and this demand would be raised "at the Home Secretary level talks scheduled this March and April at Islamabad."
 2. At the beginning of the month, after the dastardly terrorist attacks in Doda and Uddhampur districts in J & K on the night of April 30 in which 35 people were killed, the High Commissioner Shivshankar Menon had cautioned Pakistan about India's concern at the menace of terrorism. Speaking to the Supreme Court Bar Association in Lahore on 2nd May Menon said: "Despite some variations in infiltration patterns, terrorist training,

- access and whose national status has been verified, would be released by 30 June 2006. In addition, they also agreed to exchange lists of civilian prisoners by 15 June 2006 to facilitate consular access by 31 July 2006 and subsequent release. They also agreed to the early release of inadvertent crossers, minors, senior citizens and disabled persons, who are not involved in any specific cases.
6. It was also decided to ensure implementation of an earlier decision arrived at the second round of talks in August 2005 for immediate notification of prisoners, grant of consular access within three months, and immediate repatriation on confirmation of national status/ completion of sentence. Both also agreed on the need to ensure humane treatment of prisoners.
 7. Both sides noted with satisfaction the exchange of information between the Anti Narcotics Force of Pakistan and Narcotics Control Bureau of India. In this regard, they agreed to the early finalization and signing of the MoU between the narcotics control agencies of the two countries.
 8. Both sides appreciated the progress made at the meeting between the Federal Investigation Agency of Pakistan and the Central Bureau of Investigation of India in March, 2006. They agreed on the need to take measures to check human trafficking, illegal immigration and counterfeit currency.
 9. The two sides agreed to continue discussions within the framework of the Composite Dialogue.
 10. The Home Secretary of India and members of his delegation paid a courtesy call on H.E. Mr. Aftab Ahmad Khan Sherpao, Minister for Interior, Government of Pakistan.

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communications and support continue, waxing waning with the seasons and the political climate." Though the Pakistan Foreign Office had described the terrorist attack as "unfortunate act of terrorism", the Spokesperson Ms. Tasneem Aslam declined to answer questions on whether Pakistani based terror outfits were involved. In his address Menon said borders between India and Pakistan cannot be redrawn but "the two sides could work towards making them just lines on a map" so that the people on both sides should be able to move more freely and trade with one and another. "Naturally this assumes that firm control is kept on terrorism, as had been agreed upon between President Musharraf and Prime Minister Dr. Manmohan Singh. Terrorism is an enemy of civilized societies everywhere and this is increasingly recognized in both our societies," Mr. Menon said. He regretted that the earthquake relief had resulted in the rehabilitation of the terrorist organizations in Pakistan. High Commissioner said Pakistan's view that the resolution of the Kashmir issue was essential for any other peace measures to have any meaning was an extreme and partial view.

163. Joint Statement issued at the end of the 3rd round of Secretary-level talks between India and Pakistan on ‘Promotion of Friendly Exchanges in Various Fields’.

New Delhi, June 2, 2006.

The third round of Secretary-level talks between India and Pakistan on ‘Promotion of Friendly Exchanges in Various Fields’ within the framework of the Composite Dialogue was held in New Delhi on 1-2 June 2006. The Indian delegation was led by Shri Badal K. Das, Secretary, Department of Culture, Ministry of Tourism & Culture and the Pakistan delegation was led by Mr. Jalil Abbas, Secretary, Ministry of Culture.

The Pakistan delegation called on the Hon’ble Minister of Tourism and Culture, Smt. Ambika Soni.

The talks were held in a cordial atmosphere. Progress since the first round of talks in August 2004 was reviewed. The two sides discussed various proposals for cooperation in the fields of arts & culture, education, Ayurvedic & Unani medicine, archaeology, tourism, youth affairs, sports and media.

The two sides underlined the importance of interaction in the field of culture and related areas as part of efforts to expand people-to-people contacts and agreed to work on the modalities of proposals identified by them.

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164. Response of Official Spokesperson to Pakistan disqualifying all political parties and candidates who failed to meet the condition of declaring their allegiance to the accession of J&K to Pakistan from contesting elections.

New Delhi, June 12, 2006.

We have seen media reports that Pakistan has disqualified all political parties and candidates, who failed to meet the condition of declaring their allegiance to the accession of Jammu and Kashmir to Pakistan, from contesting the forthcoming elections in what Pakistan calls “Azad Jammu and Kashmir”. This confirms that the elections in the so-called “AJK”,

scheduled to be held on July 11, will be a replay of the earlier exercises, in which the people did not have the freedom to vote for political parties and candidates of their choice. It also exposes the insincerity of Pakistan's proclaimed policy that the future of Jammu and Kashmir should be decided by its people. This disqualification is particularly glaring in the light of the proposal made by President Musharraf of introducing self-governance in Jammu and Kashmir.

Besides, the forthcoming elections in the so-called "AJK" underline the absence of any form of representative government in the so-called "Northern Areas" of Pakistan occupied Kashmir, the residents of which are deprived of even their basic right to vote, as elections have never been held there.

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165. Briefing Points by Official Spokesperson on the meeting of India - Pakistan Joint Commission Technical Level Working Group on Health.

New Delhi, June 20, 2006.

- The first meeting of the India-Pakistan Joint Commission Technical Level Working Group on Health was held in New Delhi on June 20, 2006. The Indian side was led by Mr B. P. Sharma, Joint Secretary, Ministry of Health & Family Welfare while the Pakistani delegation was led by Dr. Mohammad Reza, Deputy Director General (P&G), Ministry of Health.
- The two sides discussed measures for control of Polio and exchanged ideas on management of Avian Influenza. The delegations shared their experiences in health care and family welfare in their respective countries.
- The two sides exchanged information on drug and pharmaceutical administration and on the need for identifying areas of cooperation in the field of traditional systems of medicine.
- Both sides agreed to continue discussions in the next meeting to be held in Islamabad at mutually convenient dates.

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166. Joint Statement issued on the conclusion of India-Pakistan discussions on the Wullar Barrage & Storage Project / Tulbal Navigation Project.

Islamabad, June 23, 2006.

1. As part of the Composite Dialogue between Pakistan and India, the delegations of the two countries met in Islamabad on 22-23 June 2006 for discussion on the Wullar Barrage & Storage Project / Tulbal Navigation Project. The Pakistan delegation was led by Mr. Ashfaq Mahmood, Secretary, Ministry of Water and Power, Government of Pakistan and the Indian delegation was led by Mr. J. Hari Narayan, Secretary, Ministry of Water Resources, Government of India.
2. Mr. J. Hari Narayan and the members of the Indian delegation called on H.E. Mr. Liaquat Ali Jatoi, Minister for Water & Power, Government of Pakistan.
3. The talks were held in a cordial and constructive atmosphere. The two sides exchanged views on the project and had a better understanding of each other's views. They reaffirmed their commitment to the Indus Waters Treaty 1960.
4. The two sides agreed to continue discussions during the next round of Composite Dialogue with a view to resolving the issue in accordance with the provisions of the Treaty.

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167. Information provided by Official Spokesperson on the number of people traveled between India and Pakistan.

New Delhi, June 26, 2006.

We also have some details on the travel between India and Pakistan this year, which has seen a significant increase. The travel figures for the first 5 months in 2006 indicate that about 1.70 lakh people moved across, both ways, between the two countries, using various modes of transport including air, train, bus and on foot. The details are:

By air, which includes both by Indian Airlines and Pakistan Airways

of which there are 28 flights every week, a total of 83,994 people have traveled.

By train, i.e. by the weekly Thar Express and by the bi-weekly Samjhauta Express a total of 47,697 people have traveled.

By bus, a total of 8,013 people have traveled, while 28425 people crossed Wagah on foot. A total of 903 persons crossed LoC on foot or by bus.

Thus, a total of 1,69,032 people traveled. Clearly, air is the most widely used mode of transport, while train is a close second. Our High Commission has issued in these past five months nearly 33,000 visas.

Samjhauta Express between Delhi & Lahore and Thar Express between Munabao (Rajasthan) and Khokhrapar (Sind) have become important transportation linkages between India and Pakistan. In particular, Thar Express, which commenced in February 2006 with an average of 200 passengers per week, has gained in popularity carrying between 700 and 800 passengers a week by June 2006.

Question: Regarding the Thar Express which you have said is becoming more popular. How will it become more popular without the consulates in Karachi and Mumbai? What is the state of the consulate in Mumbai? Have we zeroed in one any building?

Official Spokesperson: Certainly, our hope and wish is that the consulates will open as fast as possible and that will certainly boost travel on this route and facilitate the issue of visas. But, notwithstanding that, the figures speak for themselves. There has been an increase. It is for Pakistan to zero in on the building. Everything is being done to facilitate that process as far as Indian Government is concerned, through the state government.

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168. Media Briefing by Official Spokesperson on the question of Civilian Prisoners.

New Delhi, July 7, 2006.

In pursuance of the understanding between the Governments of India and Pakistan during Home Secretary level talks in Islamabad on 30-31 May 2006, India, on 30 June 2006 released 38 Pakistani civilian prisoners whose nationality had been confirmed and who had completed their sentences. The agreement between the two countries also provides for facilitating consular access by 31 July 2006 to the remaining civilian prisoners whose lists have been received by 15 June 2006. In implementation of this agreement, India will be providing consular access to Pakistani civilian prisoners as per the following time schedule. In Central Jail, Damdam, Kolkata 10-11 July, Central Jail, Jaipur 13-14 July, Central Jail, Amritsar, 20-21 July, Central Jail, Tihar, New Delhi, 27-28 July and Consular access to Pakistani fishermen is scheduled for 13 July 2006 at Jamnagar, Gujarat. At the same time, the Government of India hopes that the Government of Pakistan will reciprocate by providing consular access to 118 civilian prisoners and 192 fishermen in custody in Pakistan by 31 July 2006.

For your background information, currently there are 136 Indian prisoners in Pakistan and these are detailed in different categories as follows: Out of the 136, 16 are those to whom consular access has already been given and whose nationality confirmation is being awaited, 2 are those to whom consular access has already been given and whose nationality status has also been confirmed, and 118 are those for whom we have sought consular access.

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169. Response of Official Spokesperson to a question on a report that India sided with the OIC against Israel in the Human Rights Council.

New Delhi, July 7, 2006.

Question: There were reports in a daily about India siding with the OIC against Israel?

Official Spokesman: I am glad you raised that because that report also had a fairly distorted perspective. Let me give you the factual position on that. The factual position is that the special session of the Human Rights Council was called not by the OIC but by the Group of Arab States led by Tunisia and the call for the special session was supported by several countries across the political spectrum so to speak. 29 affirmatives votes supported the call for a special session including China, Russia, South Africa, Sri Lanka, Mauritius, several members of the GRULAC group that is the Latin American group, and India.

The special session was thereafter held on 5th July and the resolution at the special session was adopted again by 29 votes. These included again China, Russia, most of GRULAC, Sri Lanka, South Africa, Mauritius, Zambia and India. Let me add that we have a traditional position on Palestine that we have followed in international fora. We have also been making official statements from time to time including three in the last 3-4 weeks on our positions on the developments in the Middle East and our voting in the UN Human Rights Council was in keeping with these positions. So I do not see where that item or headline came from.

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170. Memorandum of Understanding between the Government of India and the Government of Islamic Republic of Pakistan regarding utilization of funds for Earthquake Relief Assistance.

New Delhi, July 11, 2006.

The Government of India (GOI) has decided to extend US\$ 25 million as earthquake relief assistance to **the Government of Islamic Republic of Pakistan (GOP)**. The two Governments have agreed to utilize this assistance in the following manner:

- (i) GOP will source materials from India, as may be required for relief operations, subject to their availability in India and the rules and regulations pertaining to their export at the time of procurement. However, the total cost of construction materials, including their freight charges, will not exceed US\$ 25 million. GOP may utilize the sum before 31 March 2007. GOP would provide a breakup of the materials they require to GOI.
- (ii) While sourcing these materials from India, GOP will follow its own procurement procedures and will select the supplier(s), in consultation with GOI.
- (iii) GOI will pay to the Indian supplier(s) the CIF value of the materials procured by GOP under this MOU. In this regard, the Government of India will specify the payment procedure as early as possible, in consultation with the GOP.
- (iv) GOP will either pay or exempt payment of duties and taxes relating to import of any commodity under this MOU.
- (v) The export of goods from India and their import into Pakistan shall take place through normal channels subject to the laws and regulations in force in both countries. The terms and conditions including price and quality shall be settled between the exporters in India and the importers in Pakistan through GOP.
- (vi) Any dispute or difference arising out of or in connection with this MOU shall be settled amicably through diplomatic channels.
- (vii) This MOU will come into force on the date of its signing and will expire on 31 March 2007.

Signed on July 11, 2006 at New Delhi

**Authorized Representative
of the Government of India**

**(Shyam Saran)
Foreign Secretary
Government of India**

**Authorized Representative
of the Government of the Islamic
Republic of Pakistan**

**(Aziz Ahmad Khan)
High Commissioner
Government of the Islamic
Republic of Pakistan**

171. Reaction of Official Spokesperson to media reports regarding the elections in what Pakistan calls “Azad Jammu and Kashmir”.

New Delhi, July 12, 2006.

We have seen media reports regarding the elections held on 11 July 2006 in what Pakistan calls “Azad Jammu and Kashmir”. Once again the entire exercise shows the lack of credibility of the electoral process in the so-called “AJK”. Earlier, nominations of 30 out of 31 candidates of the pro-independence Jammu Kashmir Liberation Front – Amanullah Khan (JKLF) were rejected after they refused to sign the declaration of Kashmir’s accession to Pakistan. The “AJK” Election Commission also rejected 30 nominations of the All Party National Alliance, a coalition of other pro-independence parties of Jammu and Kashmir and Gilgit-Baltistan.

Besides disqualifying all political parties and candidates who failed to meet the condition of declaring their allegiance to the accession of Jammu and Kashmir to Pakistan from contesting the elections, Pakistan has also not allowed international observers to monitor the election process. These elections can, therefore, neither be called free and fair nor an exercise in self-governance.

The 14-member “AJK” Council, the upper house of the AJK Parliament, is headed by the Pakistan Prime Minister as Chairman and the “AJK” President as Vice-Chairman. Islamabad nominates five members to the Council from the Members of the Pakistan National Assembly and there are three ex-officio members. The Chairman, along with these federal nominees, gives the Government of Pakistan a majority in the Council as, of the 14 members, there are only six members elected through the “AJK” Assembly. Real power thus, rests with the officials of Pakistan and the Ministry of Kashmir Affairs in Islamabad.

The situation in Gilgit-Baltistan, the other part of Pakistan occupied Kashmir, is even worse as it has never had even a semblance of representative institutions. Elections have never been held in these areas and the residents do not enjoy the basic political right to vote.

172. Reaction of Official Spokesperson to remarks attributed to the Foreign Minister of Pakistan concerning the terrorist bomb blasts which took place in Mumbai.

New Delhi, July 12, 2006.

Official Spokesperson: Good Evening. We have seen press reports of remarks attributed to Mr.Khursheed Mahmood Kasuri, Foreign Minister of Pakistan, concerning the terrorist bomb blasts which took place in Mumbai on July 11.

We find it appalling that Foreign Minister Kasuri should seek to link this blatant and inhuman act of terror against innocent men, women and children to the so called lack of resolution of disputes between India and Pakistan. His remarks appear to suggest that Pakistan will cooperate with India against the scourge of cross-border terrorism and terrorist violence only if such so called disputes are resolved. Terrorism cannot be tolerated on any grounds whatsoever, and no cause justifies the murder of innocent people. We would hope that the Government of Pakistan rejects any such linkage and joins hands together with India to defeat the forces of terrorism, based on an ideology of extremism and violence. We would urge Pakistan to take urgent steps to dismantle the infrastructure of terrorism on the territory under its control, act resolutely against groups and individuals, who are responsible for terrorist violence and fulfill its solemn commitments enshrined in the India-Pakistan Joint Press Statement of January 6, 2004.

Question: Are the Foreign Secretary Level talks still on track?

Official Spokesperson: I do not have any announcement on the dates as yet.

Question: Will this have an impact on the CBMs?

Official Spokesperson: I think I have given you a detailed enough briefing. Any interpretation is yours.

Question: Are these talks scheduled for July 21?

Official Spokesperson: As I said, I don't have any announcement regarding the dates.

Question: As far as the statement is concerned, on the Mumbai blasts, you have spoken again of the need for the dismantling of the

infrastructure of terrorism. Does India believe that the infrastructure of terrorism in Pakistan is related to the carnage in Mumbai?

Official Spokesperson: On the specific operations regarding yesterday, the relevant agencies are doing their work and no doubt the results will be made available.

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173. Reaction of Official Spokesperson to the remarks of Pakistani President Prevez Musharraf for proof of Pakistani involvement in the Mumbai bomb blasts.

New Delhi, July 21, 2006.

Question: Can I ask you for a response on the statement made by President Musharraf last night? He had asked India for proof....

Official Spokesperson: We have seen the remarks made by President Musharraf in his address on television yesterday. We are disappointed at Pakistan's continuing denial of the presence of and failure to take action against jihadi groups threatening to operate against India from Pakistan and Pakistan occupied Kashmir. President Musharraf's offer to help in investigations in the Mumbai blasts if evidence is provided to him gives us no cause for satisfaction in view of Pakistan's refusal to cooperate in the past, most recently at the Home Secretary level talks in May this year, when substantial evidence was provided to Pakistan of the presence on its territory of terrorist groups and fugitives. Nevertheless, in view of President Musharraf's assurance, we will continue to provide to Pakistani authorities all available evidence and await practical action on their part.

Let me add that India remains committed to the dialogue process with Pakistan but this can be sustained and can yield results only if Pakistan acts against terrorist groups operating from territory under its control, in accordance with its solemn commitments enshrined given in the Joint Press Statement of January 6, 2004.

Question: Has there been any formal contact with Pakistan after the blasts?

Official Spokesperson: I do not know what you mean by formal

contact. You know that there were talks that were scheduled to be held and they did not take place.

Question: I want to ask if the peace process with Pakistan will go on or it has been rescheduled?

Official Spokesperson: As I have told you we remain committed to the peace process which can take place and yield results only if Pakistan acts against the terrorist groups operating from territories under its control.

Question: You are not convinced by President's Musharraf's.....

Official Spokesperson: If Pakistan really wants to convince the people of India that we are working together with India against terrorism then it can take some action immediately and they can. For example, the self-styled chief of Hezbul Mujahideen, Syed Salahuddin, who is freely roaming about in Pakistan and PoK and has appeared on the same stage as many Ministers of the Federal Government, should be arrested and handed over to India. Instead of their saying that Jamaat-Ud-Dawa is being kept under close watch, the organization should be banned and its leader should be arrested. Besides that of course, Dawood Ibrahim, who has been listed in the UN Security Council's 1267 Committee as an individual associated with the Al Qaeda, should be apprehended and deported to India. If Pakistan takes action to implement the directives of the UN Security Council, then it will give credibility to its assertion that it is willing to fight terror¹.

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1. It may be recalled that Prime Minister Dr. Manmohan Singh concerned about the source of terrorism had said on July 15 when traveling on board the Air India flight taking him to St. Petersburg for the G- 8 summit, that "There has to be firm commitment that Pakistan's territory will not be used to promote acts of terrorism against India, and that commitment has to be backed by action on the ground." While stating that he has not spoken to President Pervez Musharraf since Tuesday's blasts in Mumbai, but links have been established at every level. "India and Pakistan have to establish new pathways to establish friendly relations," Dr Singh said. "Both countries need peace, stability and need to be free of terror to realise their potential." All this could not move forward, the prime minister declared, if terror, aided and abetted by outside, continued to take the lives of innocent citizens as it did in Mumbai and Jammu and Kashmir the previous week. "Both India and Pakistan have an obligation to work together, but in a democracy, there is a limitation on what a leadership can do if the terrorists are having a free time," he said. "President Musharraf is the president of Pakistan and we have to deal with people in government. In all these matters, it is a learning process and I would not like to use harsh words," Dr Singh added. "Therefore, it is the solemn obligation of Pakistan to honour the commitment it made in January 2004 that Pakistani territory would not be used for aiding and abetting terrorism in India," he said. "The terror acts in Mumbai were on a massive scale, and could not have been accomplished without external involvement," Dr Singh pointed out. In the meantime the serial blasts in Mumbai and Srinagar figured in the Union Cabinet meeting which passed a resolution condemning the outrageous

Question: Are these not preconditions?

Official Spokesperson: I did not say that. I was asked a question what it would take to convince us. I have listed here some examples of practical actions which will add credibility to Pakistan's claim that they are willing to fight terror together with India.

Question: In the context of Mumbai blasts, Pakistan has asked us to provide evidence. Have we provided any fresh evidence?

Official Spokesperson: This claim that provide us evidence and we will cooperate gives us no cause for satisfaction because in the past

terror attacks and asserted that nothing would deter the government from its firm policy to fight the menace till it is wiped out. The meeting, chaired by Prime Minister Manmohan Singh, was briefed on the incidents and the investigations underway to unravel the conspiracy. Security agencies are suspecting Pakistan-based Lashker-e-Toiba and Students Islamic Movement of India (SIMI) to be behind the terror attacks in Mumbai. Meeting for the first time after deadly attacks, the Cabinet observed a two-minute silence and passed a resolution, affirming that terrorists and their acts "will never be allowed" to check the country's march to economic growth and prosperity. The meeting lauded the spirit of the people of Mumbai and Jammu and Kashmir which "demonstrated very emphatically that terrorism cannot succeed." The Cabinet expressed "profound sense of shock and outrage at the series of blasts in Mumbai and Srinagar" which resulted in "heavy loss of life and suffering," said the resolution passed at the meeting. "It (Cabinet) condemns in the strongest terms the senseless, inhuman and dastardly attack by terrorists on tourists and the innocent people of this country," it said. The resolution emphasised the government's "strong commitment to combat terrorism in all its forms" and said "nothing will deter us from our firm policy to fight this menace till it is wiped out. "Despite these provocations from Pakistan and lack of sufficient trust in the Pakistani credentials, Prime Minister continued to look at the situation with optimism and hoped that Pakistan would cooperate in controlling terrorist attacks from its territory. Therefore when he spoke to journalists in Bhubaneswar on August 28 he said he was not averse to meeting Gen. Musharraf at the NAM Summit in Havana in September. But he added for good measure that peace process could not move forward until Pakistan took firm measures to tackle terrorism. "It all depends on what Pakistan is willing to do to check terrorism in the region." Observing that terrorism was a big problem for Pakistan too, he said India would not hold talks with Pakistan till it took concrete steps to deal with the menace.

Meanwhile on August 3, Indian High Commissioner in Islamabad Shivshankar Menon said in Islamabad that while New Delhi wanted Pakistan to take action against "elements" that Indian investigators have linked to several terrorist attacks prior to the Mumbai blasts, it did not mean the two countries must "stop doing business" with each other. "Frankly, they are as much a threat to you as they are to us. We have common interest in dealing with this. We are not saying because of this we must stop doing business, No, not at all. What we should do is to make it harder and harder for these groups to work and to shrink the space within which they can operate and this primarily is the responsibility of the Government of Pakistan. Between the two governments, we hope we work our way through this", he said. Mr. Menon was responding to questions from business community after he addressed them on "Indian Economy and Pakistan" at the Islamabad Chambers of Commerce and Industry.

when we have provided evidence, there has been no practical action on Pakistan's part.

Question: After the blasts why does not India take stronger action? Why.....the dialogue process? You know they are backed by Pakistan.....

Official Spokesperson: Yes, we have had the Mumbai blasts. The Government of India is fully looking into the entire situation. We are also looking at all the implications in political and security terms and we are taking considered action step-by-step.

Question: As far as India is concerned, we do not have an extradition treaty with Kenya. How do we.....

Official Spokesperson: I don't even have a confirmation of the arrest that you are mentioning. I have checked with our High Commission there and they have said that they will come back to us. If we have confirmation, then we will get into the process of how to get a certain person back. I would not like to jump steps. Thank you.

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174. Media Briefing by Official Spokesperson on the action taken by the Government of India and the incident relating to the Indian diplomat in Pakistan.

New Delhi, August 5, 2006.

Official Spokesperson: Good evening everybody. This is to inform you about developments relating to Pakistan. This evening, the Deputy High Commissioner of Pakistan was summoned by Shri Dilip Sinha, Joint Secretary in the Ministry of External Affairs this evening. It was officially conveyed to him that Syed Muhammad Rafique Ahmed, Counsellor in the High Commission of Pakistan in New Delhi, had been involved in activities incompatible with his diplomatic status. The Government of India has, therefore, declared him *persona non grata*. Mr. Ahmed has been asked to leave India by August 7, 2006.

During the meeting, Shri Dilip Sinha lodged a strong protest against the outrageous treatment meted out to Shri Deepak Kaul, Counsellor of the High Commission of India, Islamabad by agencies of the Government

of Pakistan, and categorically rejected allegations that Shri Kaul was engaged in activities incompatible with his diplomatic status. The officer was not in possession of any sensitive documents allegedly handed over to him by a so-called contact. These must have obviously been planted on him in order to falsely implicate him.

Shri Kaul had left Islamabad early this morning to go to Amritsar, by road, to fetch his family. As required by the Government of Pakistan, he had obtained written permission for his travel. At 7.30 a.m., about 90 kms. from Lahore, he was stopped by Pakistani security agencies and taken, hooded and handcuffed, to some unidentified location where he was interrogated intermittently for about five hours. Thereafter he was brought to the Pakistan Foreign Ministry and our High Commission was informed of his being declared *persona non grata*. The High Commission was also informed that Shri Kaul should leave Pakistan by August 7, 2006. The diplomat was then handed over to our High Commission.

Shri Dilip Sinha pointed out to the Deputy High Commissioner that the actions of the Government of Pakistan were in blatant violation of the Vienna Convention as well as the Code of Conduct for Treatment of Diplomatic/Consular Personnel in India and Pakistan 1992. Such action could not but undermine the bilateral relations between the two countries.

Shri Deepak Kaul is safe and the High Commission of India is arranging for his return to India by August 7, 2006.

Question: The Pakistan Foreign Office spokesperson said that Pakistan wanted to keep it (the incident) under wraps but Indian officials gave out the information....

Official Spokesperson: That is absolutely incorrect. The information first came out on Geo TV this afternoon and it was based on a detailed briefing, as was said, by Pakistani intelligence sources. Things cannot be more blatant than that.

Question: What happens now to the tentative road map that was there?

Official Spokesperson: I do not want to indulge in any hypothetical guess work at this time. I have told you the action that has been taken. But, if I can broadly respond to your question, I will only say that such action as has been taken by the Government of Pakistan cannot but undermine the bilateral relations between the two countries.

Question: This is the first time since after the peace talks that such a kind of major setback has happened...

Official Spokesperson: I do not want to get into any categorization but if you are asking me whether an officer of this level has been declared *persona non grata* after the dialogue process started, the answer is 'yes'.

Question: What are the specific charges against Rafique Ahmed?

Official Spokesperson: I have just said that. He was indulging in activities incompatible with his diplomatic status. Thank you.

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175. Response of Official Spokesperson to questions on the killing of Nawab Akbar Khan Bugti, the Baloch leader.

New Delhi, August 28, 2006.

The unfortunate killing of the veteran Baloch leader, Nawab Akbar Khan Bugti, is a tragic loss to the people of Balochistan and Pakistan. This military attack in which reportedly two of his grandsons were also killed and the heavy casualties in the continuing military operations in Balochistan underline the need for peaceful dialogue to address the grievances and aspirations of people of Balochistan. Military force can never solve political problems¹.

Nawab Akbar Khan Bugti played a prominent role in Pakistani politics for over four decades. His death leaves a vacuum that will be difficult to fill.

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1. The Spokesperson was referring to the violence which had gripped Balochistan in which Pakistan military was heavily involved. The Baloch leader was killed in the military operations in the Bhambore Hills of Kohlu in Balochistan where he had been hiding with several other Bugti tribesmen. According to reports at least forty other died with him.

176. Extracts relevant to Pakistan from Prime Minister's interaction with media on board the Special Air India flight to Brazil.

September 11, 2006.

Q1. On the impact of terrorism on Indo-Pak relations

PM. Our position is quite clear. Terrorism today constitutes a threat for both countries. And therefore I believe consistent with the January 2004 statement, consistent with the September 2004 joint statement, consistent with the April 2005 statement that I and President Musharraf signed, it is incumbent on us to work together in a manner that inspires confidence that both of us are very serious about tackling the menace of terrorism. That's the minimum I feel our two governments, our two systems should commit to achieve.

Q2. Structure or agenda for meeting with President Musharraf

PM. We will be discussing all aspects of the relationship between our two countries. India is not afraid of any discussion.

Q3. Trust Pakistan

PM. There is a problem of trust deficit between our two countries. And we have to take that on board. We have to take adequate precautions and General Musharraf, he is the President of Pakistan and we have to deal with whoever is in power in Pakistan. And I have always said that the destinies of the two countries are very-strongly inter-linked and full development of the sub-continent cannot be realized unless there is reconciliation between India and Pakistan.

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—On meeting Musharraf in Havana

PM. I will share with General Musharaff our perceptions of what's the role of external elements in promoting terrorism in our country. We will have an exchange of views on all issues particularly the commitment of Pakistan to not to allow Pakistan territory and that includes parts of Jammu & Kashmir which is in their occupation to mount terrorist attacks against India.

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Q19. On Indo-Pak talks no progress has been made.

PM. I don't see from recent meetings that's correct. I think we have moved very considerably over the last two years. Transportation routes have been opened up not only between the two parts of Jammu & Kashmir but also between our Punjab and their Punjab. Amritsar and Nankana Sahib, Munnabao and Kokrapar . Also two years ago, you could not say we would allow Hurriyat people travel freely wherever they wanted to go. They have been going on all directions. It's an unprecedented development. People of both countries including the two-parts of Jammu & Kashmir are meeting frequently to discuss possibilities of cooperation. So I don't know if it's correct to say that no progress has been made. We have been discussing various issues at part of the composite dialogue. We can and we should move forward. But this terrorism will surely act as a damper. I have said more than once that I can't carry the Indian public opinion with me if terrorist acts continue to plague our polity. Whatever, be the cause of that puts a damper on Indo-Pak relations. Whether in Mumbai or elsewhere if these events take place that certainly vitiates the climate.

Q20. Terrorism and peace moves, how do you reconcile both?

PM. As far as India's concerned, I think, we've given them substantial amount of evidence. But as far as the past is concerned, Pakistan sponsored terrorism has certainly been a fact of life. And the fact that Prime Minister Vajpayee and President Musharraf signed the joint statement in 2004 was in a way a tacit recognition of the ground realities and their solemn agreement to move forward in the reverse direction. But it is also true that incidents take place in Pakistan also. That Pakistan is also a victim of terrorism. These groups, whether it's Lakhisar-e-Toiba or Jaish-e-Mohammad, they can act autonomously also. But our experience has always been in the past there has been, I would not use strong words, but our worry has been that Pakistan government has not done enough to control these elements.

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Q23. Democracy in Pakistan

PM. The general belief is democracy is good for Indian people and is good for the people of the world. But what system prevails in Pakistan is for the people of the Pakistan to decide.

177. Joint Statement on talks between Prime Minister Dr. Manmohan Singh and Pakistani President Gen. Pervez Musharraf in Havana (Cuba).

Havana, September 16, 2006.

1. President General Pervez Musharraf and Prime Minister Manmohan Singh had a cordial, frank and detailed exchange of views on all aspects of India-Pakistan relations. Desirous of carrying forward the dialogue process, the leaders reiterated their commitments and determination to implement the Joint Statements of January 6, 2004, September 24, 2004, April 18, 2005 and September 14, 2005.
2. The leaders agreed that the peace process must be maintained and its success was important for both countries and the future of the entire region. In this context, they directed their Foreign Secretaries to resume the composite dialogue at the earliest possible.
3. The two leaders met in the aftermath of the Mumbai blasts. They strongly condemned all acts of terrorism and agreed that terrorism is a scourge that needs to be effectively dealt with. They decided to put in place an India-Pakistan anti-terrorism institutional mechanism to identify and implement counter-terrorism initiatives and investigations.
4. The leaders decided to continue the joint search for mutually acceptable options for a peaceful negotiated settlement of all issues between India and Pakistan, including the issue of Jammu and Kashmir, in a sincere and purposeful manner. On the Jammu and Kashmir issue, there have been useful discussions. There is a need to build on convergences and narrow down divergences.
5. The two leaders also directed the Foreign Secretaries on the following:
 - The Foreign Secretaries should meet shortly in New Delhi to continue the composite dialogue
 - To arrange consultations for early solution of the Siachen issue,
 - Experts should meet immediately to agree on coordinates for joint survey of Sir Creek and adjoining area, without prejudice

to each other's position on the issue. The Survey should commence in November 2006. The experts should start discussions on the maritime boundary.

- The two sides will facilitate implementation of agreements and understandings already reached on LOC-related CBMs, including bus services, crossing points and truck service.
6. The President of Pakistan renewed his invitation to the Prime Minister of India to visit Pakistan. Thanking the President, the Prime Minister indicated that he looked forward to a purposeful visit at a time to be determined through diplomatic channels.

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178. Media Briefing by Foreign Secretary-Designate¹ Shivshankar Menon after Prime Minister's Meeting with Pakistani President.

Havana, September, 18, 2006.

QUESTION : ...(Inaudible)... as with any discussion between the Prime Minister and President Musharraf on the fact that Pakistan has reached ...(inaudible)...

FOREIGN SECRETARY DESIGNATE : I think the difficulty here is when you talk of terrorism, it is not just that there is one kind of terrorism and it is not that all terrorism is organized or run by one or two organizations. After all Pakistan Government has suffered from terrorism. You have seen attacks on Pakistan civilians, on Pakistani leaders by terrorists. You have seen the same thing in India. Now depending on the nature of the problem that we are dealing with, we have different ways of dealing with. Some of them within India we deal with ourselves. Somebody mentioned Malegaon. That is our own. First we will check, we will do our own investigation and we will decide. If there is something with cross border links that we think the Government of Pakistan can help us with, we will take it up in the mechanism. Other problems we will deal with through other ways. I think you are trying to say that all terrorism has to be dealt with in the same way

1. He formally took over as Foreign Secretary on October 1, 2006.

because all terrorism has one source or one root. That would be the implication of what you are saying. I am saying all this is possible at the same time, that it is a multi-faceted problem and we will use different means to deal with it depending on where it comes from. So, these are not mutually exclusive, as I said to Manoj. To your second question, no, not that I know of.

QUESTION : Sorry to take the topic away from Pakistan. In the discussions with Venezuelan President, did the issue of Venezuelan bid for the membership of Security Council come up because India is still noncommittal, I believe, about supporting Venezuela.

FOREIGN SECRETARY DESIGNATE : No, it did not come up. Not that I know of.

QUESTION : Mr. Menon, you were involved last time when threads were to be picked up in ties with Pakistan with the bus service and the situation that led to the January 2004 statement. Again you are also watching this. What was the toughest bit of trying to pick up things once again with Pakistan this time?

FOREIGN SECRETARY DESIGNATE : Actually I think we are learning to work with each other. It is much easier. When we did 2004, we had almost no experience of really doing a hard negotiation together, I think, both to them and for us. It is much harder when you are not quite sure what to expect. I think as we have gone through the process one of the big gains of the process from my point of view is that we have learned to live and work with each other. In that sense it is much quicker, just the physical fact of the production of the joint statement was much easier. I think that is when we say that the atmosphere of the relationship has changed and is very different from what it was in 2003 say, I think that is one of the advantages. What we would like to see is that happening across a range of sectors. The more contacts we can develop the more we can learn about each other, the more comfortable we can be with each other as societies, as economies. That is something we would like the whole process to result in. But which is the hard part? Actually it is getting easier. I hope the Pakistanis can say the same.

QUESTION : Going back to the anti-terrorism mechanism, even if you cannot specify the mechanism with Pakistan, can you give us an idea as to what kind of mechanism we have with other countries?

FOREIGN SECRETARY DESIGNATE : KC is the expert. Let him tell you.

ADDITIONAL SECRETARY (International Organizations), SHRI K.C. SINGH : We have got 23 Joint Working Groups on counter terrorism with 23 countries and two regional organizations – one is with EU and the other one is with BIMSTEC. BIMSTEC is the Bay of Bengal group of countries which has Bangladesh, India, Myanmar, Sri Lanka and Thailand. We try holding meetings at least once a year. With some of them even there is a need being felt to hold it more often.

Generally the format that we follow is we exchange views on our assessment of the region in which we are and the country gives us their assessment, and see how we can do some capacity-building and how we can do institutional link ups between agencies which can exchange information and set up contacts. So, the Ministry of Foreign Affairs creates the getting together of the different institutions and they put them in touch with each other because we do not want to be the nodal point for everything. Once you create the links, then it becomes easier because they talk to each other.

QUESTION : Does that include the intelligence sharing?

SHRI K.C. SINGH : We do that with various countries, yes. But the levels will vary, of course, based on the level of comfort with each country.

QUESTION : So, the model is more or less the same with the Joint Working Groups that you have with other countries. Then, would you be following the same model with Pakistan?

SHRI K.C. SINGH : I am only describing what we have. What we have in mind for Pakistan, FS Designate will tell.

QUESTION : After a lot of painstaking effort we do come up with some joint statement and then the result is dialogue. But some major incident or something like that derails the process. What guarantee can there be that this process can itself be insulated?

FOREIGN SECRETARY DESIGNATE : We are trying through this to prevent major incidents. As you know, terrorism makes it very difficult for us, especially events like Mumbai and so on would make it very difficult for us, because public opinion in India finds it very hard to understand how we can carry on with the dialogue process if terrorist incidents in India

have links into Pakistan. So, what we are trying by doing all this, by setting up this institutional mechanism, by talking to Pakistan, by working together, by our own national measures, is to prevent such incidents. And our goal remains to eliminate terrorism. How much success we will have, we have to see. But there cannot be any guarantees in this. I do not think anybody can guarantee the future in these things. But what we can do is we will make our best effort to try and ensure that the hypothetical eventuality that you have mentioned does not happen.

QUESTION : I have two questions please – the first about Pakistan and the next about Cuba.(Inaudible)...the idea of trust deficit. Has that been surmounted? Is there a feeling that there is sincere and earnest interest on behalf of the Pakistani President?

FOREIGN SECRETARY DESIGNATE : I think we are working at eliminating the trust deficit. That would be the best way to put it. But we have been working at it for sometime and we intend to keep working at it.

QUESTION : The Indian Prime Minister would be meeting Fidel Castro and conveying Indian Government's position on what is happening in Cuba in terms of the transition, ...(Inaudible)...

FOREIGN SECRETARY DESIGNATE : I think right now he is meeting with the acting President. I really have nothing for you on that yet. I think what we do is, we will probably brief you on Cuba, on all the questions that you have mentioned altogether, after that.

QUESTION : The Joint Press Statement talks about a peaceful negotiated settlement on all issues between India and Pakistan. The statement could have stopped there, but it goes on to say, 'including the issue of Jammu and Kashmir'. Was it necessary, diplomatically speaking?

FOREIGN SECRETARY DESIGNATE : I think it is something we have said since July 1972. It is one of those India-Pakistan mantras. But we also mean it. Ultimately, if you want to have good neighbourly relations, you have to address all the issues between you, and that includes Jammu and Kashmir. It is nothing new. It is something we have accepted and we have been trying to do for many years.

QUESTION : You can see that this agreement about terror mechanism is very difficult to digest. Do you think it would be difficult to sell in India? Do you foresee any resistance, any opposition, and any allegation of a sell out?

FOREIGN SECRETARY DESIGNATE : I did not hear anybody saying it is difficult to digest. I heard people asking what it is, what does it mean, is it new, etc. These are legitimate questions. I think naturally everybody in India would be interested to know for the simple reason that, as I said, terrorist incidents make it very difficult to continue business as usual especially if they are linked into Pakistan. I think that is a legitimate interest. But I do not think it is difficult to digest. In fact we are offering here, we think we have found out, one more way of trying to deal with this problem.

QUESTION : Do you see ISI and RAW working together as a result of this?

FOREIGN SECRETARY DESIGNATE : I keep saying I do not want to prejudge the future. Here, it has not even met. We have just set it a job. I am not going to say what it will result in. I cannot say it today. I know what we wanted to do and that we have spelt out quite clearly.

QUESTION : At least tell us whose idea it was.

FOREIGN SECRETARY DESIGNATE : It is now both our ideas. But now it belongs to both of us. It is in a Joint Press Statement. Do not forget that it is 'joint'.

QUESTION : Could you tell us whether the question of nuclear security between the two countries came up during the talks?

FOREIGN SECRETARY DESIGNATE : It did not.

QUESTION : *It is our old experience that every time in Washington or in the General Assembly in New York, General Musharraf makes promises on Terrorism; the same thing is repeated as you said. By token of the same experience can one not say that later they get free or buy more weapons from them. Are we not learning from the old experience? We give him a chance and clear him saying that he is also against terrorism, and he is in the same boat as we are.*

FOREIGN SECRETARY DESIGNATE : As I said, we are trying to see whether certain forms of terrorism can be dealt with through this mechanism. That is what we are trying to do. We are not here in this, trying to allocate blame, responsibility, prejudge. Not at all! What we are seeing is, 'Can we do something about it or not?' And I think that is our responsibility.

I do not think any responsible Government of India can say, 'Nahin

jee. Nothing we can do here. Forget it.' We have to try our best and find every possible way of dealing with terrorism. It is a terrible thing the way it affects our people. And that is what we are trying. I am not saying, 'Oh! This is going to do this. It is going to achieve that. It is going to change the world'. No. But if we can cut down terrorism in India in any small way, it is worth it. It is an achievement. And I think every Indian will say so.

QUESTION: Will it help him?

FOREIGN SECRETARY DESIGNATE: I am an Indian, I am interested in cutting down on terrorism in India. That is the goal. If we can do that, it is worth it. I do not see how anybody can quarrel with that. That is the goal of this. That is why we have tried something new here.

QUESTION: How often this interaction meeting will be there?

FOREIGN SECRETARY DESIGNATE : We have not done all that kind of modalities. We have not done that yet.

FOREIGN SECRETARY DESIGNATE : We have not done schedule of meetings, when they will be meeting, all that we have not done.

QUESTION : Can Siachen and Sir Creek be resolved this year? The language seems very kind of forward-looking in the sense that it seems you have set the specific date November for Sir Creek...

FOREIGN SECRETARY DESIGNATE : I think we have said for some time that we think it is doable. I think you would remember last year also Prime Minister said that these are 'doable'. We will certainly try our best to see whether we can do it. But I do not want to set a date. I do not want to say by this year, by November, by December, by January, because that I think actually complicates the process of finding a settlement and finding a solution.

(Text in italics is translated from Hindi)

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179. Response of Official Spokesperson to questions regarding press reports and statements on the scope of the proposed India-Pakistan anti-terrorism institutional mechanism.

New Delhi, September 27, 2006.

The anti-terrorism institutional mechanism¹ agreed to between India and Pakistan in Havana is clearly mandated by the September 16 Joint Statement to identify and implement counter-terrorism initiatives and investigations. There is no doubt in our minds as to what constitutes terrorism and it is clear that the group is mandated to address all forms of terrorism.

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1. On July 24 speaking in Nanital the Prime Minister defending the proposed anti-terrorism mechanism with Pakistan said its objective was to “test” how Islamabad would fulfil its responsibility towards fighting terrorism. He maintained there was no change in government’s policy in regard to terrorism. New Delhi had maintained that for the dialogue to move forward, Pakistan must ensure that its soil was not being used to spread terrorism in India. Responding to questions over the charge by former Prime Minister on the joint mechanism Dr. Singh said: “*Nukta Chini* (criticism) was not right and our approach against terrorism has not changed.” He said “misapprehensions” being spread in various quarters over the proposal were “baseless”. He admitted to a “trust deficit” in relations with Pakistan but said things cannot stand still. The Foreign Secretary Shivshankar Menon after taking over as Foreign Secretary on October 1 said that India would use the anti-terrorism mechanism about which there was an agreement to seek Pakistani action on the evidence unearthed by the Police that the ISI Directorate was allegedly responsible for the July 11 serial train blasts in Mumbai. ‘We will take the issue up with Pakistan in view of the new evidence’, Menon said. “We will judge them not by their immediate reaction of verbal statements but by what they actually do about terrorism,” he maintained. “It seems to me logical that the mechanism has to deal with this kind of evidence”, the new Foreign Secretary asserted.

180. Response of Official Spokesperson to a question regarding remarks¹ reportedly made by US Ambassador to Pakistan, Ryan Crocker.

New Delhi, October 5, 2006.

We have seen the remarks attributed to Ambassador Crocker. Coming from a democracy like United States, one would have expected Ambassador Crocker to understand that democratic governments have a primary responsibility to keep their own people fully informed.

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1. The American Ambassador in Pakistan told a press conference in Islamabad: "India should communicate with Pakistan by having direct contact instead of talking about the Mumbai train blasts in the public". Crocker added that the U.S. wanted Indian and Pakistani governments to discuss all the issues between them including Kashmir dispute to normalize their relations. "We hope that both the countries would keep all their channels open to rectify their misunderstandings," he said, adding that accusing statements would serve no purpose.
This matter was also raised in the Rajya Sabha on November 23 and the Government reiterating said:
"The Government of India has taken cognizance of remarks made by US Ambassador to Pakistan, Ryan Crocker, on 3rd October, 2006 regarding evidence in the Mumbai train blasts.... As two democracies confronted with the common challenge of terrorism, U.S. and India have a robust dialogue on counter terrorism through the Joint Working Group on Counter Terrorism that was established in January 2000. The seventh meeting of the JWG on Counter Terrorism was held on 19-20 April 2006 in Washington. As part of this Dialogue, both sides continue to periodically exchange views on terrorism, including on cross border terrorism."

181. TV Interview of National Security Advisor M. K. Narayanan with Karan Thapar in the CNN-IBN programme 'Devil's Advocate'.

New Delhi, October 22, 2006.

Karan Thapar: Hello and welcome to Devil's Advocate. India's decision to set up an anti-terrorism institutional mechanism with Pakistan and the language used to justify it have created a storm of controversy. With me to talk about both issues is the National Security Advisor M K Narayanan.

Mr Narayanan, let's start with the language used by the Prime Minister to characterise Pakistan at the time when he agreed to the setting up of this anti-terrorism mechanism. He said, "Pakistan is a victim of terror." He added, "Terrorism constitutes a threat for both countries."

Does that suggest that India no longer looks upon Pakistan as a perpetrator of terror but a country that, in the sense, is an equal victim and on par with India as a battle against terror?

M K Narayanan: I think you are creating a lot more than what Prime Minister really meant. What he did say and I think what he intended to say was that there have been terrorist incidents in Pakistan. President Musharraf himself has been the victim of terrorist attacks. He is certainly not equating what is happening in Pakistan with what's happening in India. What he did say was a fact, a fact that there have been terrorist incidents in Pakistan. He just mentioned a fact, he was not making a value judgment. He was not trying to sort of carry out any kind of equation between what's taking place in our country and what's taking place in Pakistan.

Karan Thapar: I am glad you said so, because many people who heard the Prime Minister came to the conclusion that he was making an equation, he was making a value judgment. And one reason they came to that conclusion is because the new Foreign Secretary at much the same time said, "We must drive a distinction between terrorist elements in Pakistan and the Government of Pakistan." Now this contradicts what Farooq Abdullah as chief minister of Jammu and Kashmir had said. He said that, in fact, the ISI is responsible for arming and supporting the jihadi groups. It contradicts what's the Police Commissioner of Mumbai has said, when he claims the ISI is responsible for the Mumbai blasts. So, whom do we believe? The Police Commissioner of Mumbai, Farooq Abdullah, Ghulam Nabi Azad or the Foreign Secretary?

M K Narayanan: I think the Foreign Secretary has a formidable list of people to contend with. The Foreign Secretary has just come from Pakistan. He was just making a statement. If the question is posed to him, saying that is the terror situation in India comparable with what is happening in Pakistan, I am quite sure he would say something entirely different. I think he did make a statement saying that as a Foreign Secretary, if he makes a statement that the Government of Pakistan is responsible, he will be called upon to say all right give produce evidence. What we all are aware of very clearly is that there are terrorist elements, they have the support of structures in Pakistan and I think it was more or less a statement. And the fact is that the ISI is involved is fairly well known. I think it is not a secret as far as India is concerned and I think is well known the world over.

So, the ISI's role in one particular incident or another particular incident sometimes becomes difficult to determine. But as far as the Mumbai Police Commissioner is concerned, the involvement of the LeT, which is closely linked to the ISI, has been proved by the investigations. So, I suppose the Mumbai Police Commissioner is right. I would say the Foreign Secretary was being careful in his choice of words as far as what he said. And I think Dr Farooq Abdullah is well known for his very clear unambiguous statements.

Karan Thapar: You used a very careful language here. You said the Foreign Secretary was being careful. Actually a critic points out, by perceiving Pakistan in the language that the Prime Minister and the Foreign Secretary used, India has suffered a strategic setback. One of your successors as head of Intelligence Bureau, Ajit Doval, has gone on to record to say, "India suffered its first strategic setback in the fight against terrorism by certifying that Pakistan is not an aggressor, but a state aggressed upon".

M K Narayanan: I do not wish to comment on what my former colleague has said. First and foremost, I don't quite understand what he meant by strategic setback. I think the world has recognised the fact that India is a victim of terror. Most, if not all the terror, is coming from across the border. The country which is identified as the aggressor in this matter is Pakistan.

What we have, to a large extent, try to avoid — and that particularly at the level of Prime Minister, what we try to avoid - is finger-pointing Pakistan. Because as the Prime Minister keeps saying from time to time, we wish to try to make Pakistan understand that unless it gives up terror as

a weapon, unless it understands that terror is not going to make India do anything and there is a hope for improved relations between India and Pakistan, it is an ending of terror. So, he does not want to end up in what is called a slanging match between India and Pakistan.

Karan Thapar: Understandably. But the problem is that both the Prime Minister and the new Foreign Secretary used language that created an unfortunate impression. Many people misunderstood them to the point that people concluded that the Prime Minister was seeing Pakistan as a partner in the fight against terror, not a perpetrator. He was seeing Pakistan as a victim rather than an aggressor. And do you think, therefore, that in the light of this, the language used by both of them was unfortunate?

M K Narayanan: I don't. I mean, if people misunderstood what the Prime Minister said, or the Foreign Secretary said, I think I can't say. Because I don't think — most definitely for the Prime Minister because I am part of that entourage, and I can say because the new Foreign Secretary is somebody whom I have known for many many years — I think both of them were careful on their choice of language. If people have misunderstood it or misinterpreted it, I think there has been more misinterpretation than misunderstanding. You know our obsession with terror is such that we do sometimes overstretch the limits of what is being said.

Karan Thapar: It is not just over his language that people think that the Prime Minister may have dropped his guard. After he came back from Havana, at Nainital, the Prime Minister said that levels of cross-border terrorism have fallen. The truth is that just four weeks earlier, the Home Ministry released figures to Parliament, which showed that during the first six months, the number of infiltration incidents has doubled and the number of infiltrators involved had trebled. So, once again, what the Prime Minister was saying, was in the contradiction with the facts given out by his own Home Ministry.

M K Narayanan: No. I think what was reported as the part of the Prime Minister's speech there, I think a crucial sentence was lost. I have gone through that Nainital speech. It says that the level of infiltration has picked up over last six to eight months.

Karan Thapar: *So you mean bad reporting was responsible?*

M K Narayanan: I don't know. But that was very much a part of the speech. And at some stage it has got lost - either in translation, or in transliteration or whatever it is.

Karan Thapar: But the interesting thing is that the Prime Minister's Office didn't put out the correction, they permitted the misunderstanding based on misreporting to continue and, therefore, the misrepresentation of the PM sort of become a fact. People now think that he has dropped his guard on Pakistan in terms of his language.

M K Narayanan: After that, there are several statements that the PM has made in which he has attacked terrorist acts coming from Pakistan. I think he did it even very recently. At every forum that I have been present with the PM, when an occasion has risen, in his own very persuasive style, he has referred to the importance of Pakistan restraining and keeping back the terrorist elements from their country. Now, if you wish to pick out a particular statement and see that as evidence of PM's change of heart, well it's very difficult to tell.

Karan Thapar: Let me ask you as his National Security Adviser. The people who conclude from the language that the Prime Minister used, seeing Pakistan as a victim rather than a perpetrator of terror, seeing Pakistan as a partner in the fight rather than an aggressor, people who conclude that he has changed his perception of the country, perhaps scale down the threat level from Pakistan - they are wrong?

M K Narayanan: They are totally wrong.

Karan Thapar: The Prime Minister continues to see Pakistan as the principal source of terror that India faces?

M K Narayanan: The Prime Minister sees terrorism as India's biggest problem. He has made no bones on that question. He sees that most of the threat comes from across the border.

Karan Thapar: Pakistan?

M K Narayanan: Yes, Pakistan. And a fair amount of it is also coming in from pro-Pakistan elements in Bangladesh. He has not dropped his guard. He has no intention of dropping his guard. He has given direction to all of us to not to let down our guard in this matter. And what he does, and which is probably different from what many people would like to do, is to not get into a kind of a huge slanging match in a rather unseemly spectacle of the Prime Minister of India and the President of Pakistan exchanging words through the media, outside the media, across the globe etc. I think we have managed everything fine. I don't think any leader who has met him, or any people across the world have misunderstood what the Prime Minister

has wanted to say. There are elements in this country who are very anxious to paint the PM as somebody who is naïve or weak. This is the sixth PM I have dealt with. I find that he is very clear in his mind as to where exactly India's interest lies.

Karan Thapar: So, in your words you are saying he is strong on terror but he is dignified in his approach.

M K Narayanan: Exactly. I think I could not have put it better.

Karan Thapar: Mr Narayanan, let's come to the anti-terrorism institutional mechanism that India and Pakistan have agreed to set up. This assumes that Pakistan has changed its attitude to terror as a weapon to use against India. Do you really believe that's the case?

M K Narayanan: I again fall back on what the Prime Minister says, "Trust, but verify."

Karan Thapar: Is it something we have learnt from the Americans?

M K Narayanan: No, no. But 'Trust and verify' is a good way of dealing with Pakistan. There were various options that we went through. One of the things we thought was to give a long rope to Pakistan. In the case of the terrorist attack for instance, we have what we call definite proof of Pakistan's involvement in the attack or of a terrorist outfit in Pakistan. Since we are not prepared for a hot pursuit, we thought let's see what Pakistan does with the evidence we give them. We hope we can give them specific locations, names, telephones. If Pakistan delivers on some, if not all, we can say that the mechanism is reasonably successful.

Karan Thapar: You are seeing this as an experiment worth trying. I can understand but the problem as you have said in this interview is that the ISI's hand is discernable in so much of what Pakistan has done and this is something every Indian Government passionately believes in. Then how can the same people be cooperative in a meaningful sense in an anti-terror mechanism? Surely, the ISI cannot be the perpetrator and the solution at the same time?

M K Narayanan: I would say that is Pakistan's dilemma, not ours. Pakistan has said if you give us evidence, we will help you with the investigation. We have given them the opportunity to prove what indeed they have said in words. We see it as giving them an opportunity.

Karan Thapar: Except that the people you are giving the evidence to are the ones who perpetrated the terror in the first place.

M K Narayanan: Well, every time we give them information and they give us a negative answer. Then we know that the mechanism is not working. Then we'll see what to do. But right now we want to put Pakistan in a spot, saying 'This is the evidence, get back to us.' If it happens in every case, it will become clear that the mechanism is not working and we can tell the rest of the world and Pakistan that there is no point in talking to them because they do not understand the language.

Karan Thapar: I get the clear impression that you will give Pakistan two or maybe three chances to cooperate, but if it continues, then you will call this off.

M K Narayanan: I wouldn't say two or three, that depends on what happens. But if the mechanism does not work, we will call it off.

Karan Thapar: Your big opportunity will be when you give the evidence of ISI involvement in the Mumbai blasts. When exactly do you plan to present that evidence to Pakistan?

M. K. Narayanan: we have much of the evidence but quite clearly the Mumbai blasts would be where the most recent evidence would be available. We have some legal issues to clarify. As soon as that is done... we should be ready by the time the Foreign Secretaries will meet, which is by the middle of November.

Karan Thapar: The legal issues you are talking about. Are they the confessions made by those accused?

M K Narayanan: Yes. We do not want to hamper the process of prosecution of the cases in India. We do not want to throw the baby out with the bathwater in this case.

Karan Thapar: All right. Your target is the meeting of the Foreign Secretaries, which is on November 13-14. What would you characterise as an effective and satisfactory response from Pakistan when the evidence is made available to them?

M K Narayanan: Firstly, this is the first formal occasion when the anti-terrorism institutional mechanism will be discussed. If Pakistan says they need to review the mechanism, then there will be a delay in actually presenting the mechanism.

Karan Thapar: There are two aspects to this question then. Firstly, as the NSA, what would you like the shape and form of the mechanism to be?

M K Narayanan: We have on our side something in view that I don't want to mention yet. Because it has not been presented to the Pakistan side. We have a two-tier mechanism that has been approved by our people. It has not been approved by Pakistan yet. I don't think it has been formally presented. I think that will happen only at the meeting of the Foreign Secretaries.

Karan Thapar: Does the two-tier mechanism involve a role for intelligence chiefs on either side?

M K Narayanan: Well, I do hope intelligence chiefs or at least intelligence personnel will be involved.

Karan Thapar: So the ISI from Pakistan will be formally involved at one of these levels?

M K Narayanan: Yes, hopefully at one of these levels.

Karan Thapar: Does this two-tier mechanism also involve the sharing of information between both sides?

M K Narayanan: No, this is entirely an anti-terrorism machinery. So, there is no sharing of information.

Karan Thapar: So, the sort of information you were good enough to share with me when I last interviewed you in July, when you said that there was credible intelligence to suggest that the LeT could target one or more of India's nuclear establishments, that sort of information will not be shared?

M K Narayanan: No, certainly not. If the anti-terrorism mechanism goes forward and we see that there is a lot of corporation from Pakistan and that there is a great deal of comfort between India and Pakistan, then we could. It's our ultimate hope.

Karan Thapar: But that's at a later stage.

M K Narayanan: That's at a much much later stage.

Karan Thapar: After you have verified and got your trust. At this point, there will be no sharing of information?

M K Narayanan: No, certainly not.

Karan Thapar: At what level will this mechanism be headed? Will it be by the foreign secretaries themselves or will it be by people outside the MEA?

M K Narayanan: No. The foreign secretaries certainly will not head it. Because we have a composite dialogue where all these issues will be discussed in a broader framework. You have a Home Secretary-level talk going on. So I suppose it will be one level below, maybe an additional secretary or a special secretary.

Karan Thapar: And how often will this mechanism meet? Will it be as and when required or will it be in constant function?

M K Narayanan: No, because it is a anti-terrorism mechanism, it will work as and when required. But I presume the mechanism will also look into issues like money laundering. If that requires a broader framework, then it could be looked at definite intervals. But mostly, it will be meant for ongoing investigations and sharing of information regarding investigations.

Karan Thapar: Now you have already shared the information about the ISI involvement in the Mumbai blasts with the Americans and the British. What response did you get from them?

M K Narayanan: I did not say we have shared the information.

Karan Thapar: The American Ambassador said so. And I believe that officials in London said that the Prime Minister shared the information with Blair when he met him in London.

M K Narayanan: No, there is no evidence that has formally been supplied to them. We have given them the details. There is a lot of difference between the evidence and the details. As far as evidence is concerned, there are items regarding interrogation reports, which may be needed too. So, we will first give the information to Pakistan, because otherwise it will look as if we are doing some kind of a propaganda. We will provide that information to the Pakistanis. Whether we will share it with the Americans is a political decision.

Karan Thapar: So, newspaper reports that say that you have actually shared the information with them are inaccurate?

M K Narayanan: Information might have been shared, but not evidence.

Karan Thapar: One last question. So you as NSA and former head of the IB believe that India's evidence against the ISI for its complicity in the Mumbai blasts is clinching or do you think it is suggestive?

M K Narayanan: As the former head of the IB and NSA, I think it is as good evidence as you can possibly get in a terror case. Whether it is clinching is for the courts to decide. I think we have enough connectivity, linkages, confessions and arrests made based on those confessions. All these are pretty good, but there are some pieces of the puzzle missing. If the courts decide they want the full puzzle, it will be difficult. So I am hesitant to say that the evidence is clinching. But it is pretty good¹.

Karan Thapar: Mr Narayanan, it has been a pleasure talking to you on Devil's Advocate. Thank you very much.

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1. On October 23 speaking about the quality of evidence Home Secretary VK Duggal said: "It is a very good evidence. Since I am also privy to this, it is fairly solid evidence."

182. Media Briefing on Foreign Secretary level talks between India and Pakistan.

New Delhi, November 14, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good evening ladies and gentlemen. This is a very brief factual update on the talks today.

As you know the Foreign Secretary level talks between India and Pakistan began this morning and they are continuing tomorrow. So, it would not be correct at this stage to go into too many details.

A very extensive discussion was held this morning between the two delegations led by the respective Foreign Secretaries. The discussion carried on over a working lunch. As you know, normally the Foreign Secretary level discussions are an occasion to review the composite dialogue process and that was done. This was a meeting to resume the composite dialogue, so to speak, which had not been held after the Mumbai blasts.

Part of the discussions naturally were focused on the declaration that was agreed to between Prime Minister Dr. Manmohan Singh and President Musharraf in Havana, the follow-up action being taken thereafter. The two sides also discussed the menace of terrorism and the proposed anti-terror mechanism under the Declaration.

They also discussed J & K which is normally discussed when Foreign Secretaries meet as part of the composite dialogue. As part of that, they discussed the confidence-building measures, in particular the cross-LOC confidence-building measures that had been proposed and were partially implemented.

The status of several other confidence-building measures which have been on the table was reviewed with the objective of pushing them forward to an early implementation. Other issues of bilateral relations which have been implemented in part or been constantly under review such as travel, such as the situation regarding civilian prisoners, fishermen, other CBMs dealing with non-conventional and conventional security issues, were discussed.

Economic and commercial relations between the two countries came up for discussion. As I said, this meeting will resume tomorrow and we will have much more details for you thereafter.

In the afternoon at about 4:30, the Pakistan Foreign Secretary and

members of his delegation called on the External Affairs Minister, Shri Pranab Mukherjee. The call lasted for about half an hour. The External Affairs Minister reviewed the discussions held by the two Foreign Secretaries and gave his viewpoint in general terms on why it was important that both sides should fight the menace of terrorism jointly. He also welcomed the resumption of the dialogue process and underlined the need to address all issues as part of this process.

He also recalled some of the achievements of this dialogue process which have already borne fruit. For instance, the very positive change in atmosphere in the relationship between the two countries which was very much in evidence in the wake of the earthquake, when we had been able to make offers for rehabilitation and relief work to be carried out on the other side of the LOC. EAM¹ also stressed to the delegations the need to take further action so that the expectation of the people of both countries can be fulfilled.

I am afraid, I know you have several questions, I have to leave it at that for today.

QUESTION: Regarding terrorism, did we share the evidence with them?

OFFICIAL SPOKESPERSON: I do not want to go into any more details. I think you will have a chance to discuss all these issues. This is an on-going meeting.

QUESTION: Was Siachen not discussed?

OFFICIAL SPOKESPERSON: I did not say that.

QUESTION: Was it discussed?

QUESTION: How will you describe today's meeting, Sir?

OFFICIAL SPOKESPERSON: As I said, it was a very detailed meeting; it was held in a very constructive and positive atmosphere; and it is not over yet.

1. Later in the day when the Pakistani Foreign Secretary called on the External Affairs Minister, the latter "reviewed the discussions" that took place between the two Foreign Secretaries earlier in the day. He spoke in general terms about the need for both the sides to fight terrorism jointly. He "welcomed the resumption of the dialogue process, and underlined the need to address all issues as part of this process. He also recalled some of the achievements of the dialogue process...". Incidentally, External Affairs Minister did not wish to comment on the statement made by his Pakistani counterpart Khurshid Mehmud Kasuri that the Siachen issue could be resolved in a matter of days. Mukherjee said it was not necessary to react to every comment.

QUESTION: What was discussed ...

OFFICIAL SPOKESPERSON: I do not want to go into discussions of what exactly was said or not. I did tell you that considerable amount of time was spent in discussing terrorism in the wake of the Havana Declaration.

QUESTION: What are the proposed CBMs? Siachen...?

OFFICIAL SPOKESPERSON: We will give you more details tomorrow as to what is being finalized. There are several CBMs which you are already aware of, which have not yet been implemented, in all fields. On Siachen, to give you a specific answer, this is something which has been informally discussed by the two Foreign Secretaries. So, there is no point in saying it was not discussed between 10 to 11 or it was not discussed between 11 to 12. These are on-going discussions. Subjects will possibly be discussed tomorrow again.

QUESTION: What is the programme for tomorrow?

OFFICIAL SPOKESPERSON: They will meet in the morning.

QUESTION: Is there going to be a joint press conference or statement?

OFFICIAL SPOKESPERSON: The statement I cannot yet say. If there is something produced and agreed, we will know only tomorrow. There are no plans for a joint press conference. We have a briefing by the Foreign Secretary in the afternoon tomorrow.

QUESTION: What was Pakistan's response on our concerns on terrorism?

OFFICIAL SPOKESPERSON: I am not going to go into the detailing of the whole dialogue. What I can say is that considerable time was spent on discussing terrorism and the External Affairs Minister also underlined the need to fight this jointly.

QUESTION: What about the nuclear risk reduction agreement?

OFFICIAL SPOKESPERSON: That is part of the discussions on the non-conventional security CBMs.

183. Joint Press Statement issued at the end of India-Pakistan Foreign Secretary Level Talks.

New Delhi, November 15, 2006.

1. The Foreign Secretaries of India and Pakistan met in New Delhi on November 14-15, 2006. Shri Shivshankar Menon, Foreign Secretary of India led the Indian delegation while the Pakistan delegation was led by Foreign Secretary Mr. Riaz Mohammad Khan. They reviewed the progress in the third round of the Composite Dialogue encompassing talks on Peace and Security including CBMs; Jammu and Kashmir; Siachen; Wullar Barrage/Tulbal Navigation Project; Sir Creek; Terrorism and Drug Trafficking; Economic and Commercial Cooperation and Promotion of Friendly Exchanges in Various Fields. The talks were held in a friendly and positive atmosphere.
2. They exchanged views on the issue of Jammu and Kashmir in the spirit of the Havana Joint Press Statement to hold purposeful discussions and to build on convergences and narrow down divergences. They agreed to fully implement measures to enhance interaction and cooperation across the LoC including the early operationalisation of truck service for trade on agreed items.
3. In pursuance of the Havana Joint Press Statement, they discussed terrorism and the need to effectively deal with it. They agreed to set up a 3-member anti-terror mechanism to be headed by Additional Secretary (International Organizations) from the Ministry of External Affairs of India and the Additional Secretary (UN&EC) from Pakistan's Ministry of Foreign Affairs. Its mandate would be to consider counter terrorism measures, including through the regular and timely sharing of information.
4. The two Foreign Secretaries exchanged views on Siachen.
5. Both sides also agreed to hold a meeting of experts on 22-23 December 2006 to decide on the coordinates for joint survey of Sir Creek and adjoining areas, without prejudice to each other's position, as well as to simultaneously conduct discussions on the Maritime Boundary. The joint survey shall be completed by February 2007.
6. The agreement on "Reducing the Risk from Accidents relating to Nuclear Weapons" was initialed by the two sides. They agreed on

its early signing. They expressed satisfaction over the implementation of the "Agreement on Pre-Notification of the Flight Testing of Ballistic Missiles".

7. They welcomed the inauguration on November 14 of the hotline between the Pakistan Maritime Agency and the Indian Coast Guard.
8. On humanitarian grounds, all fishermen and prisoners of the other country, whose national status stands confirmed and who have completed their sentences, would be released by 25th December, 2006.
9. They reviewed the progress made towards the revision of the 1982 Protocol on Consular Access and expressed the hope that the Protocol will result in expeditious disposal of consular issues related to prisoners and fishermen of both sides. They also agreed to examine the release of prisoners of the other country who are detained on minor charges.
10. They also agreed to promote friendly exchanges between the two countries. They agreed on the need for an early finalization of an updated visa agreement between the two countries. In addition, it was agreed to expand the list of shrines under the 1974 Bilateral Protocol on Visits to Religious Shrines.
11. The Foreign Secretaries reiterated the importance of enhancing mutually beneficial economic cooperation.
12. Both sides reiterated their keenness to see their respective Consulates General in Mumbai and Karachi reopened quickly.
13. Both sides agreed on the early signing of the revised Protocol on Shipping Services.
14. The Foreign Secretaries agreed to meet in February 2007 in Islamabad to launch the next round of the Composite Dialogue.
15. The Foreign Secretary of Pakistan called on the External Affairs Minister, Shri Pranab Mukherjee during the course of his visit.

184. Press Briefing by Foreign Secretary Shivshankar Menon on the conclusion of Foreign Secretary level talks between India and Pakistan.

New Delhi, November 15, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good afternoon. It gives me great pleasure to welcome the Foreign Secretary here. He is accompanied by High Commissioner Mr. Satyabrata Pal from Islamabad. The Foreign Secretary will brief you on the India-Pakistan talks. I must tell you that the Foreign Secretary has to leave for the airport straight after this. So, please keep your questions short and few.

FOREIGN SECRETARY (SHRI SHIVSHANKAR MENON): Good afternoon ladies and gentlemen. As you know, we have just been through two days of talks with the Pakistani Foreign Secretary. I believe he has just finished briefing you on the talks. You also have with you the Joint Press Statement which we issued at the end of the talks, which gives you an idea of the various decisions that we took. I thought what I do was briefly mention the context in which these decisions were taken. Then I will be happy to answer your questions on this.

As you know, these were the first round of official talks between the Foreign Secretaries after we postponed the July talks. They were postponed because of the Mumbai blasts, and because the links into Pakistan of those blasts had created a very strong sense of public opinion and a very strong opinion that we could not have held the talks at that time.

Subsequent to that, Prime Minister Manmohan Singh met with President Musharraf in Havana and it was decided that we would resume these conversations. In that sense this is an important round, a significant round, different from other rounds which were merely meant to review the progress in the Composite Dialogue that we have with Pakistan.

I am happy to tell you that we had a very useful and a constructive round where we not only addressed the various issues which we had been asked to address by the two leaders in the Joint Statement issued in Havana, but we also reviewed the third round of the Composite Dialogue and then discussed the way forward, the sort of actions that we can take and we should take to move this process forward.

Since this was the first formal meeting after the Mumbai blasts, as

you have seen from the Joint Press Statement, we discussed and then agreed how to establish the anti-terror mechanism which our leaders had mandated in Havana. It is to be composed of three people from each side and would be headed by an Additional Secretary from the Foreign Ministry. We also discussed its task, which is to consider counter-terrorism measures including through the regular and timely sharing of information.

We shared some information at this round itself with Pakistan on some of the terrorist acts which we have suffered from in the recent past where we have already done our investigations and filed charge-sheets. We also reviewed the third round which had taken place in the earlier part of the year and which you would recall had made progress in several respects.

This was the round which saw the opening of the Poonch-Rawalakot bus service. It was also the round which saw the agreement in principle on cross-LoC trade which has not still been implemented. It was the round which also saw the agreement on a revised shipping protocol which would make it easier to carry cargo between the two countries. This was the round which also discussed the nuclear risk reduction agreement which, as you know, is now ready.

We also agreed in principle on quarterly flag meetings. Apart from that, we then looked at the way forward at how we could take the dialogue process forward and the relationship forward. Most of the results of what we have said are in the Joint Press Statement. So, I would not go over that again.

What we envisage is the fourth round of the Composite Dialogue next year, which we will start off when the two Foreign Secretaries meet in Islamabad in February. Thereafter we will try and make progress on the various issues which are in the agenda. They are listed in the first paragraph of the Joint Press Statement.

Our goal in this process of talks, negotiations, contacts, visits, is frankly to try and achieve a relationship with Pakistan, who is our neighbour, which could be described not just as normalized but actually as good neighbourly relations. We are a long way from this. We obviously have many many things to do in order to achieve that, but that is our goal through this process. It is a fact of geography that we are neighbours and our destinies are linked and we will keep working at this and try and improve the relationship.

I would be happy to answer any questions you have.

QUESTION: The Pakistani Foreign Secretary has just told us that India has not presented ... evidence on the Mumbai blasts nor have you in any way given any information or had any discussion on the Mumbai blasts. Can you say anything on this?

FOREIGN SECRETARY: Let me make this clear. We handed over some information and material in writing about those cases in the recent past where we have completed our part of the investigation and where we filed charge-sheets. That we gave in writing to the Pakistani side. That does not include Mumbai because they still have not filed charge-sheets.

However, we have discussed the Mumbai blasts with Pakistan at various occasions in the recent past in our various contacts with them. Because of our legal processes, we cannot today give them formal material or evidence, or make demands until we complete our own legal processes. Anything else would amount to contempt of our own courts and this we cannot do. That is why in a technical sense, yes, that is correct. However the fact that we postponed the talks because of the Mumbai blasts, because that we resumed the talks and in all these contacts naturally we have discussed the Mumbai blasts.

Let me also make this clear. I think there is terrorism in Pakistan: there is terrorism in India. It is for each of us as sovereign states to deal with it on our own territory. It is the cross-border links that we have raised with Pakistan. The anti-terrorism mechanism gives us a way of dealing with that. So, now that we have given some information, this mechanism we hope will meet soon, and we hope that it will take some action.

QUESTION: So, Mumbai was not discussed at all.

FOREIGN SECRETARY: I think I have just answered that.

QUESTION: Pakistani Foreign Secretary says that Siachen was talked about and an agreement was possible. He said that if the desire is to authenticate or agree upon positions, it is alright. But if the desire is to endorse a claim, then there is ... What exactly is ...

FOREIGN SECRETARY: We did have a discussion on Siachen. It is one of the subjects. We have a separate meeting only on Siachen between the Defence Secretaries in every round of the Composite Dialogue. We did that in the third round as well. We will do so in the fourth round.

Even at this meeting we discussed Siachen. We both said what concerns us in Siachen. In that sense we both described what worries us. Our position is well-known. We would see the beginning of the process of this engagement as being prior authentication of present positions. I think what he was trying to say was what their position is on that same question. There is still a gap between our positions and let us be honest about this. It is something that we need to talk through and try and bridge. That is why we are still talking about this issue.

QUESTION: Can you please clarify, Sir, when you said that you have given some information on other cases where charge-sheets have been filed, could you tell us a little more on that?

FOREIGN SECRETARY: I think I would rather let the mechanism do its work. The whole point of giving the information was to let the mechanism do some work. Let us see what happens with that information, what the investigations into that information lead to. As I said, this is material relating to cross-border linkages to the terrorist cases in India in the recent past.

QUESTION: Foreign Secretary, your counterpart also mentioned possible discussions on demilitarization. This is an idea that has been there. I think he also said that Pakistan, if India took some steps in Kashmir - the term used was heavy military presence - if India decides to withdraw them, they would also take some reciprocal steps. Was that discussed substantively at the meeting you have had over the last couple of days? What is our response to his comments?

FOREIGN SECRETARY: Demilitarization is one of the concepts which has been mentioned recently - I think it is in the public discourse as well - on Jammu and Kashmir and how it should be dealt with. We have in fact removed some troops from Jammu and Kashmir last year. You would remember that there was some troop withdrawal. In our case the troop levels in Jammu and Kashmir are really related to the security situation, at least our appreciation of the security situation in Jammu and Kashmir. We have a responsibility to the citizens of our state to ensure peace and tranquility that they can live their lives free of violence. That is really what it is linked to. If there is an improvement in the situation, certainly it is possible to consider further troop withdrawals. But violence has to go down and the threats to ordinary people who try and lead peaceful lives, has to go down.

QUESTION : *Mr. Menon, when Pakistani Foreign Secretary attention was drawn to the contacts of Member of the Pakistan National Assembly with Lashkar-e-Tayyiba and of which he was proud of; his reply was that we should look at the government policies and not on individuals or groups. Is Pakistan trying to escape its responsibility by such statements? The other thing he said was whenever there was a terrorist attack in India; in fifteen minutes Pakistan is blamed for that and this sort of finger pointing could be very dangerous.. ..*

FOREIGN SECRETARY: *I have just seen a piece of paper given to me after I reached this place, in which it is stated that the Parliamentary Secretary Maj. Tanveer had earlier contacts with the Lashkar-e-Tayyiba. I was quite surprised to see this. Let us see; after some enquiries we will tell you what is its background. The other point you mentioned that the Pakistani Foreign Secretary said that Pakistan should not be blamed like this; we told Pakistan that the terrorist group that are there, that we have banned and they too have banned, like Lashkar-e-Tayyiba, their operations should be stopped particularly the support they extend in India, the activities they indulge in, should be stopped. We have made this demand on them. Now they have assured us that if we give them some specific information they will do something about that. Let us see. We have given them some information...we will tell you after some time, what impact this has.*

QUESTION: *What he says is that within fifteen minutes how can you finger point?*

FOREIGN SECRETARY: *I do not think he accused the Government of India of doing that.*

QUESTION: *Which are the religious shrines that are proposed to be included in the religious protocol? Secondly about the trip of our EAM Pranab Mukherjee.....*

FOREIGN SECRETARY: *Sorry, I have not brought that list, neither is this list yet settled because from their side full list is not received. There is agreement on some shrines, they have indicated those could be included in the protocol. The list is quite long. If you want it can be given later. I do not have the list with me as of now. About the other question it is not yet settled, but he will definitely go. We are still discussing the dates. Let us see what suits them, we shall settle on that, but he will definitely go.*

QUESTION: *On the question of Maj. Tanveer Hassan. The visit that*

took place at the level of parliamentary secretaries; can the government distance itself from his statement? Are they not at all responsible for that? The discussion about the mechanism that took place today, would it take off from today's talks or the list that India had given earlier which included the names of Dawood and Salahuddin, will also come within its purview?

FOREIGN SECRETARY: *on the first question when we asked the Pakistani Foreign Secretary he said why are you asking me? On the second question the information we gave them is not a new information; we gave them the information about what had been going on for almost the last year. Let us what happens on that. Gradually as the mechanism starts functioning, we will perhaps meet in December, then we shall see what can be done.*

QUESTION: Does India believe that it is the Pakistan state actors that are involved in the recent terrorist attacks against India across the border? If so, are these state actors under the control of President Musharraf?

FOREIGN SECRETARY: What we say is that there are elements in Pakistan, and we do not qualify this, there are elements in Pakistan which have been involved in not just assisting but inciting terrorism in India. Who controls, how much control, that is not for us to say. It would be very difficult for us to make categorical statements about that. But it is any elements in Pakistan who are involved in this kind of cross-border terrorism we would expect action against.

QUESTION: India has accused in the past that in Pakistan there are a lot of terrorist camps. What is your information now? Are there still camps that train the so-called terrorists in Pakistan?

FOREIGN SECRETARY: There are.

QUESTION: Have you given them specific knowledge of those camps?

FOREIGN SECRETARY: I think they know.

QUESTION: Given the fact that New Delhi has had for long serious concerns about cross border terrorism emanating from Pakistan, how important is this three-member anti-terrorism mechanism and the peace process? How important a development is that? How would you put it in that context?

FOREIGN SECRETARY: I think terrorism has been a concern for us from the beginning. As we have explained, there are three things that we have tried to achieve through this peace process. We are trying to achieve an atmosphere free of violence which means that the various commitments on terrorism are implemented. We tried to resolve outstanding issue through process of negotiations which is what the eight groups and the six expert groups in the Composite Dialogue are meant to do. And we try and build a relationship with Pakistan in which both sides have stakes whether it is through trade, through travel, through normal business that neighbours would undertake with each other. In that sense, yes, terrorism is very important. It is a very important part of the Composite Dialogue process. Counter-terrorism is an important part of what we are trying to do, but it is one part. It is part of a larger process. I think we have made progress in all three aspects, if you look at the process since it started in January, 2004. I think the establishment of this mechanism, what it does is to give us an institution, an address where we can deal with the kinds of issues that we have been discussing in the past. We have now one specific institution which is supposed to address these concerns. But, as I said, we just have the decision on its composition, on its establishment. It still has to meet. So, it would be very premature to start ascribing various things to it and say, 'Can it do this? Can it do that?', I think we have to give it chance.

QUESTION: Sir, this is with regard to Mysore terror plot. Has Pakistan sought Consular access for that person? Or have you given any information to follow up the matter?

FOREIGN SECRETARY: They have sought consular access and we are processing it. To amplify that we actually gave them information about Mohammad Fahad. They sought consular access and we are processing it.

QUESTION: Your counterpart was slightly vague on the number of areas spoken about as far as blasts were concerned. Did we speak about the Mumbai blasts at all? He said no evidence was provided. It is one thing to provide evidence and another to bring up the issue. Did you speak on other blasts or other such incidents like Mysore, like Varanasi, like New Delhi?

FOREIGN SECRETARY: I think I answered that right at the beginning that what we provided by way of written information related to previous blasts where we have completed investigations and have filed charge-sheets which did not include Mumbai. We did, when we spoke, include

Mumbai also in our discussions. So, in that sense, the simple answer is yes.

QUESTION: Pakistan took recourse to some technical argument that they have acted against terrorism, banned some militant outfits; that there are banned militant outfits on both sides of the border; and that some of these militant outfits have reinvented themselves and they are continuing their terrorist activities against India. Have you raised this issue saying that the point is not about nomenclature or banning but to stop terrorism against India?

FOREIGN SECRETARY: As I said, what we raised with them was the cross-border linkages of various banned organisations and organisations which are aiding and abetting terrorism on our side. I think that is the part that we raised with them.

QUESTION: What is the substantial gain? Are these successful talks? How can you term them as successful talks?

FOREIGN SECRETARY: It is successful for one simple reason. If you read the Joint Press Statement, we have set up the anti-terrorism mechanism; we have talked on the issues that divide us which include Siachen; and we have a clearer appreciation of what the other side is worried about; and what they are capable of. We have agreed on a whole series of steps which we think will help to carry the relationship forward. I do not want to read the whole Joint Press Statement out to you all over again. But that is what it says.

QUESTION: When do you expect Pakistan to get back to you on the evidence you have given them?

FOREIGN SECRETARY: This is an on-going conversation. But the mechanism itself, we hope, will meet soon.

QUESTION: Is the Joint Anti-Terrorism Mechanism the only forum to raise accusations or evidence on terror attacks in the future? Or is it an attempt to move away from exchanging these allegations through the media?

FOREIGN SECRETARY: We would certainly try to move away from exchanging allegations in public because I am not sure if that is the best way to get real action or get anything done. I think the fact is that this is an on-going conversation and it is not a conversation that just began today or yesterday. It is something that has been going on. The anti-terrorism

mechanism gives us another way of carrying on that conversation and seeing that it results in action. Thank you.

(Text in italics is translated from Hindi)

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185. Remarks by External Affairs Minister Pranab Mukherjee and Foreign Minister of Pakistan Khurshid M. Kasuri after the private lunch.

New Delhi, November 27, 2006.

EAM: Ladies and Gentlemen, It was a wonderful lunch¹ (that) we had with His Excellency Foreign Minister of Pakistan. As you know, this is not a formal visit. I will have the privilege of receiving him during the SAARC summit for which I am not inviting him here. I will go to Islamabad on the 13th (January) and I will formally invite him and His Excellency, the President. I will carry the letter of Prime Minister to him for inviting him for the Fourteenth SAARC summit. We will have substantial talks at that point of time. This was just an informal lunch. I am privileged to have the presence of Madam Kasuri along with the High Commissioner (of Pakistan).

Mr. Khurshid M. Kasuri: Thank you very much. I enjoyed the hospitality of the Foreign Minister and I look forward to receiving him in Islamabad on the 13th of January. We have agreed on the dates and I have assured him of a very warm welcome. Both of us agreed that Pakistan-India relations are very important and that we needed to develop a level of trust. I told him that I had developed that trust with his two predecessors and I was looking forward to developing similar trust with him. When we are in this job, it is a very heavy responsibility. And I am happy that a very senior leader of the Congress Party is in charge of the Ministry of External Affairs. That gives me great hope because whatever we have to do, it requires politicians who are strong. After my meeting today, I have greater hope. Thank you.

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1. It was a private lunch hosted by External Affairs Minister for the Pakistani Foreign Minister who was on a private visit to attend the wedding of the daughter of the Indian Minister for Youth and Sports, and Panchayati Raj, Mani Shankar Iyer.

186. Speech of Prime Minister Dr. Manmohan Singh of a rally in Amritsar.

Amritsar, December 20, 2006.

I am delighted to be here today and lay the foundation stone of six major projects in Punjab. I am particularly pleased that these projects will change the face of not just Amritsar, but all areas in and around this great city.

In many ways, Amritsar is my home. In 1947, when India gained Independence, my family settled in Amritsar. I still have fond memories of the Amritsar of those days. Amritsar was a leading city, not only of India but also of the entire region. Amritsar was the foremost centre for India's trading and commercial relations with Afghanistan, Iran and Central Asia. It was a magnificent and prosperous city where people came not only to pray at Harminder Sahib but also to make their fortunes. The partition that occurred at the time of Independence caused a great deal of harm to the industry and trade of Amritsar. Ancient trading routes got cut off and the border rose like a wall very close to the city.

However, the hardworking, industrious people of Punjab have worked day and night and have changed the face of this divided State. The enterprising farmers of Punjab have made it the granary of India. Cities such as Ludhiana, Jullandhar and Batala have become major industrial centres, making Punjab one of the leading industrial States of the country. This has been the result of the efforts of the people of Punjab and the entire nation is proud of each one of you.

Ladies and gentlemen,

However, it is not yet time to rest on one's laurels. Punjab has some distance to go before it can say that it has achieved its developmental goals. There is no grinding poverty in the State but that is not enough. The growth in agriculture which we saw in the 60s and 70s, has slowed down. In agriculture, other states are reaching Punjab's levels of productivity. And as far as industry is concerned, many other States have raced ahead Punjab. Therefore, it is essential that every citizen of Punjab renews his pledge to work hard to make this State the leading State of the country once again.

In the last five years, Chief Minister Amarinder Singh and Congress Government in Punjab have worked tirelessly and with vigor to take the State further on the road to progress. The Punjab Government has made

efforts to take agriculture in the state to new areas beyond paddy and wheat cultivation. Many industrial parks and SEZs have been set up to catalyze industrial growth. The conditions of cities in Punjab is improving rapidly and Amritsar and Ludhiana are competing with other cities to be counted among the best cities in the country. An SEZ is being built in Amritsar, Textile Parks have been sanctioned for Ludhiana and Barnala and an Industrial Park for Batala.

In order to strengthen the hands of Shri Amarinder Singh and his Government, the Central Government has been providing assistance on a large scale. New roads, new railway lines, new trains and new Airports are becoming operational all over the state. The Indian Railways have agreed to build eight more Rail Overbridges at Bhatinda, Malot, Abohar, Mansa, Mor Mandi and Lehragaga. On completion of these over bridges, traffic conditions at these locations will certainly improve. The railways have also decided to develop Amritsar, Jullandhar and Ludhiana railway stations into Stations with world class amenities. A Logistics Park is being planned by the railways near the railway freight corridor at Ludhiana. This Logistics Park will have a major transport centre and will enable Ludhiana to become the premier transport hub in Northern India. The Amritsar Airport is being modernized at a cost of Rs. 80 crores. As far as roads are concerned, the Central Government is doing work on almost 1000 Kms of national highways in the State through the NHAI. Among the important roads that are being improved are the roads from Delhi to Chandigarh, Ludhiana to Chandigarh, Panipat to Jullandhar, Chandigarh to Kiratpur, Amritsar to Wagah, Amritsar to Pathankot, Amritsar to Jullandhar and Ludhiana & Moga to Talwandi.

It is my earnest hope and desire that Amritsar once again regains its lost glory. I am confident that with the efforts of Shri Amarinder Singh and with the continued support of Government of India, Amritsar and whole of Punjab would certainly move in the direction of a glorious future.

I have come here today to hand over the historic Gobindgarh Fort to the people of Punjab. This fort has been in the custody of the Government of India for decades. Gobindgarh Fort has a special place in our hearts. It is closely linked to Maharaja Ranjit Singh. It went into the possession of the British more than one hundred and fifty years ago and since then, has been out of reach for the people of Punjab. Today, its doors have been thrown open to everyone and it now belongs to all of you. I am extremely happy that I have the privilege of handing it over to you. I am sure this Fort will become a major centre of attraction in Amritsar.

Ladies and Gentlemen

Since 1947, while saying one's morning prayers (ardas) every morning, every Sikh has been expressing the wish and fond hope that they should once again have easy access to those religious places which are now in Pakistan. Our government has been working hard and making every possible effort to make this a reality. In the last two and a half years, we have improved our relations with Pakistan. It has been our sincere endeavour to establish an atmosphere of peace between our two countries so that both countries can live in harmony. As a result of our efforts, many bus services have started between the two countries, the benefits of which have accrued to the people of Punjab as well. Bus services continue between Amritsar and Lahore and Amritsar and Nankana Sahib. The movement of trucks between the two countries has also become simpler. This has greatly facilitated the easy movement of people and goods. Trade has increased and Amritsar has benefited. I am confident that if we continue on this path of peace, then Amritsar can once again regain its glory as a major centre of trade and commerce. I believe that this is possible and we will make it happen. This is not a dream, it can be a reality.

As I had said earlier, our government has been trying its best to ensure that we establish an atmosphere of peace with Pakistan and improve our relations. Last week, I had read about some new ideas and thoughts expressed from Pakistan¹. We welcome all ideas as they contribute to the ongoing thought process. If both sides approach issues with an open and friendly mind, and work together on resolving each of these, then it will be possible for us to resolve all pending issues through a dialogue process.

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1. The Prime Minister was presumably referring to the 4-point proposal made by Gen. Musharraf in an interview to an Indian TV telecast on December 5. President Musharraf proposed that "Pakistan is prepared to give up its claim on Kashmir, if India accepts a four-point proposal for resolving the dispute." He was also quoted to have said: "if the four-point solution is agreed upon, Pakistan will give up on the UN resolutions and its long-standing demand for a plebiscite." His four points were:
 - (1) Kashmir will have the same borders but people will be allowed to move freely back and forth in the region
 - (2) The region will have self-governance or autonomy, but not independence
 - (3) Troops will be withdrawn from the region in a staggered manner
 - (4) A joint supervision mechanism will be set up, with India, Pakistan and Kashmir represented. He also made it clear that Pakistan was against an independent Kashmir and his formula was not a first step towards that end.
 Prime Minister earlier on December 16 was asked by journalists on board the flight bringing him back to New Delhi from Tokyo about the Musharraf proposals. He had then said: "I welcome the efforts whosoever put in to normalize relations between India and Pakistan. If anytime new ideas come, we welcome them and I would like to say that in the last two and a half years we have had very intensive dialogue with Pakistan.

The destinies of our two nations are interlinked. We need to put the past behind us. We need to think about our collective destiny, a destiny where both neighbours can work jointly towards a better future for their citizens. If our minds are determined and focused on this goal, I am confident that this destiny can be realized.

I too have a vision regarding India and Pakistan. I earnestly hope that the relations between our two countries become so friendly and that we generate such an atmosphere of trust between each other that the two nations would be able to agree on a Treaty of Peace, Security and Friendship. I have spoken in the past about such a Treaty and I do so once again today from the same place. I am sure that we can overcome all hurdles in our path and realize such a Treaty. This will become the instrument for realizing our collective destiny and the basis for enduring peace and prosperity in the region.

Ladies and Gentlemen:

If the border areas of Punjab have to develop rapidly, then such a Treaty is essential. I am aware that the residents of border areas of Amritsar, Gurdaspur and Ferozepur have been facing a lot of difficulties because they live close to the international boundary. There are difficulties in cultivating their fields and prospects for industrial growth appear poor. If we are able to increase our trade and commercial relations with Pakistan, these deprived areas would certainly benefit a lot.

However, without waiting for that day, we have started work on many other initiatives. Last month, civilian flights began from Pathankot airport, increasing the connectivity of that area. We have started an industrial park project in Batala which will improve the industrial infrastructure there. In order to facilitate cultivation of farms in border areas, we have increased the duration for which farmers can cross the border fence to work their fields. They will now be able to work much longer than before along the entire 500 km. length of the border. As far as Amritsar is concerned, we have sanctioned a Rs 180 crore project under the Jawaharlal Nehru National Urban Renewal Mission for improving the basic facilities in the city. This is part of a larger City Development Plan which we will support. Amritsar will benefit greatly from this project and the living conditions in slums will improve substantially. Our government is 4-laning the road from Amritsar to Wagah through the NHAI. We will improve the facilities at Wagah and bring them to a level comparable to any international airport or port so that transit through Wagah becomes fast, convenient and easy. The foundation stones for some of these projects have been laid today. I believe that in a short

while, the journey from Amritsar to Wagah and the transit of people and goods through Wagah will become so easy that this road will once again become a major highway for trade and commerce.

In order to improve the basic facilities for people living in border areas, we have recently provided a package with an additional assistance of Rs 137 crores to the Punjab government. Under this, schools, dispensaries, hospitals, toilets and technical centres will be built in border districts. This will greatly benefit the residents of border districts. We have also agreed to build 500 kms. of rural roads in the border districts.

Ladies and Gentlemen:

The most enduring image of Punjab is that of hardworking, enterprising, prosperous farmers. They are the architects of our Green Revolution and have been instrumental in removing our foodgrain deficit. I am aware that in the last few years, farmers have faced some difficulty in carrying our agriculture. We have taken many measures to improve their conditions. We are providing loans to them at reduced interest rates. We are helping the state government to reduce the burden of debt on their shoulders. The farmers of Punjab have benefited from our efforts. The committee we have formed to look at ways of reducing the problem rural indebtedness is going to submit its report shortly and our government will soon be taking additional measures to reduce this burden. The farmers of Punjab also need new seeds and new technologies for improving their productivity. For this, we have provided Rs 100 crores to the Punjab Agricultural University so that they can modernize agriculture in Punjab and Punjab can play a leading role in the next Green Revolution that we need. I am confident that with the efforts of the government of Shri Amarinder Singh and with your hard work, the farmers of Punjab can look forward to a bright future with hope and confidence.

Ladies and Gentlemen:

Today, I have also laid the Foundation Stone of the Goindwal Power project. If Punjab has to grow rapidly, we need to pay greater attention to its industrialization. And electricity is crucial for this to happen. This is a major thermal power project in Punjab after a long gap. I compliment the Government of Punjab for this initiative. However, there is much still to be done. Punjab had taken a leading role in many industrial sectors such as bicycles, sports goods, hosiery, etc. It needs to once again show its dynamism and take the lead role in new areas such as electronics, automobiles, IT and biotechnology. The state government has worked quite hard in this direction and the results are slowly becoming visible. Mohali is

certainly becoming a centre for some of these new sectors. I believe that Jalandhar, Mohali, Ludhiana and Amritsar will soon be counted once again among the leading industrial centers of the country. The Central Government will continue to help the State Government in taking Punjab forward in this direction.

Ladies and Gentlemen:

Today is day of pride for the people of Punjab. The historic fort of Gobindgarh has been restored to the citizens of this great state. Work has also been begun on many new development initiatives. If we continue on the path we have begun and we strengthen the hands of Shri Amarinder Singh, I am confident that in a few years Punjab will once again become the premier state of the country in all respects. Jai Hind.

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187. Joint Press Statement issued at the end of Technical level talks between India and Pakistan on Sir Creek.

Islamabad, December 23, 2006.

Technical level talks between India and Pakistan were held in Rawalpindi on 22-23 December 2006 to decide the coordinates for a joint survey of the Sir Creek and adjoining areas without prejudice to the positions of the two countries, as well as to simultaneously hold discussions on the Maritime Boundary. The Pakistani delegation was led by Maj Gen Jamil Ur Rahman Afridi, Surveyor General of Pakistan while the Indian side was led by Rear Admiral B.R. Rao, Chief Hydrographer.

Discussions were held in cordial atmosphere. The two sides worked out the technical details of the joint survey in an amicable manner. It was agreed to commence the joint survey from 15th January 2007¹. The two sides also held useful discussions on various options to delimit the maritime boundary. It was agreed to verify the outermost points of coastlines of both countries during the joint survey with regard to the equidistance method.

The leader of the Indian delegation also called on Lt. Gen (Retd.) Tariq Waseem Ghazi, Secretary of Defence on 23 December 2006.

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1. It may be recalled that the first joint survey of the 96-km long creek was held in January 2006.

SRI LANKA

188. Press Release of the Ministry of External Affairs on Erik Solheim's meeting with Foreign Secretary.

New Delhi, January 27, 2006.

The Norwegian Minister for International Development and chief facilitator for the Sri Lankan Peace Process, Mr. Erik Solheim, met Foreign Secretary Mr. Shyam Saran on January 27, 2006 to brief him on his just concluded visit to Sri Lanka.

The Government of India welcomes the decision by the Government of Sri Lanka and the LTTE to hold talks in Geneva in February, 2006. The resumption of talks augurs well for the prospects of peace in Sri Lanka.

The Government of India reiterates its long-standing view in favour of a negotiated political settlement that meets the just aspirations of all communities and which respects the unity, sovereignty and territorial integrity of Sri Lanka¹.

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1. Erik Solheim after the meeting with Foreign Secretary told journalists that India was "very pleased" by the decision of Sri Lankan Government and the LTTE to hold talks to implement the ceasefire agreement. He described the meeting with F.S as "excellent" and said India was fully supportive of the latest developments.

189. Statement by Official Spokesperson on Sri Lanka.

New Delhi, March 1, 2006.

Government of India welcomes the holding of talks between the Government of Sri Lanka and the LTTE in Geneva on 22/23 February 2006. We are also happy to note that both sides have renewed their commitment to respecting and upholding the Ceasefire Agreement.

Government of India urges both sides to continue the political dialogue and in this regard, welcome the announcement that the next round of talks will take place in April 2006.

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190. Media Briefing by Official Spokesperson on the visit of Norwegian Minister for International Development Erik Solheim.

New Delhi, April 7, 2006.

- Norwegian Minister for International Development, Mr. Erik Solheim, accompanied by the new Special Envoy for the Sri Lankan Peace Process, Ambassador Jon Hanssen Bauer, met Foreign Secretary¹ on 7th April 2006. The Norwegian Minister briefed Foreign Secretary on the current status of the Peace Process, as well as prospects for the next round of talks scheduled to be held in Geneva in April between the Government of Sri Lanka and the LTTE. Mr. Erik Solheim was visiting Delhi after a visit to Sri Lanka, where he had talks with the Sri Lankan President, H.E. Mr. Mahinda Rajapaksa and senior officials associated with the Peace Process.
- The above visit may be seen as part of the ongoing exchange of views between the two countries in regard to the Peace Process in Sri Lanka. Both sides endorsed the need for maintenance of the ceasefire, and for a complete cessation of violence so that the climate for dialogue is further strengthened.
- Foreign Secretary took the opportunity to reiterate India's well known position regarding the need for a politically negotiated and peaceful settlement of the ethnic problem, which is acceptable to all sections of Sri Lanka's plural society, and which safeguards the unity, sovereignty and territorial integrity of Sri Lanka.

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1. As a result of the meetings between New Delhi and the Norwegians from time to time there was some misunderstanding created since the Norwegians apparently claimed that they had passed on some message from New Delhi to the LTTE. When journalists questioned New Delhi how it was possible particularly when LTTE was a banned organization as far as India was concerned, the Spokesperson of the Ministry of External Affairs explaining the position on May 29 said: "As you know, for several years we have been sharing our assessment with the Norwegians on developments in Sri Lanka and the peace process. This does not amount to sending message to the LTTE or any other party." Referring to the recent visit of Erik Solheim to New Delhi, the Spokesperson said Norway was continuing its efforts to resume the dialogue process in Sri Lanka. Indian officials conveyed to Solheim that India wanted a peaceful negotiated settlement to the ethnic problem in Sri Lanka, one which safeguarded the unity and sovereignty of the country.

191. Press release of the Ministry of External Affairs on Government of India's deep concern at escalation in violence in Eastern part of Sri Lanka.

New Delhi, April 24, 2006.

The Government of India is deeply concerned at the recent escalation in violence in the Eastern part of Sri Lanka¹ which has resulted in the ceasefire coming under serious strain. The Government of Sri Lanka has conveyed to us its policy of restraint and its intention to restore normalcy in the affected areas. We welcome this and call upon the parties concerned to scrupulously adhere to the letter and spirit of the Ceasefire Agreement. We take this opportunity to express our conviction that violence is not the answer to any problem and that political dialogue is the only way to resolve outstanding issues. We hope that the parties make every effort with a view to commencing talks at the earliest and taking the stalled peace process forward.

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1. Violence had been troubling the island for some time and resulting in many deaths on both the sides and a large displacement of Tamils particularly. East was the worst sufferer in this escalation and Trincomalee bore the brunt of it. The Government of India was seriously concerned at this unfortunate situation. When large scale violence erupted in Trincomalee since April 7 resulting in the death of 15 Tamils in Claymore mine attacks for which LTTE was blamed and then there was a bomb blast on 12 April also linked to the LTTE which left several people dead and injured and sparked attacks on Tamil civilians and property, people in India were greatly agitated. Mahinda Rajapakse, the President telephoned Prime Minister Dr. Manmohan Singh to assure him that Colombo was deeply concerned and was taking necessary steps to bring the situation back to normal. Prime Minister's main talking point was the situation in Trincomalee and offered his condolences over the death of soldiers and civilians. The Prime Minister besides expressing his concern at the deteriorating situation urged the President to take necessary measures to bring the situation under control and voiced support to the Norway brokered peace process that had now come under unprecedented strain.

192. Press Release of the Ministry of External Affairs on Defence Minister speaking to Sri Lankan President.

New Delhi, April 25, 2006.

Raksha Mantri spoke to Sri Lankan President Mahinda Rajapaksa and conveyed India's shock at the suicide bombing incident in Colombo in which the Sri Lankan Army Commander was seriously injured and 5 persons were killed¹.

Raksha Mantri strongly condemned this brazen act of terrorism. He reiterated India's conviction that violence is not the answer to any problem and that political dialogue is the only way to resolve outstanding issues. He expressed India's solidarity with the Government and people of Sri Lanka in this difficult hour.

The Sri Lankan President appreciated India's gesture and thanked India for the support and solidarity shown.

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1. After the bomb attack on the Army chief on April 24 by suspected LTTE cadres India had condemned the violence in general and this incident in particular. The Co-chairs of the peace process too expressed grave concern about further escalation of violence and also called on the LTTE to cease all suicide attacks and other forms of violence. "We condemn absolutely the attempted assassination of Lt. Gen. Sarath Fonseka, head of the Sri Lanka Army. We send the condolences to the families of the person who lost their lives in the attack and call on the LTTE to cease all suicide attacks and other forms of violence," the statement from the Co-chairs said. President Rajapaksa said: "I emphasise and caution that one should avoid mistaking our desire for peace and our responsibility to achieve it as a government weakness." On April 27 the Sri Lanka situation came up for review at the meeting of the Cabinet Committee on Security on return of the Prime Minister from his visit to Germany. The official sources were quoted by the media to say that the single message that India had been sending to Sri Lanka was not to escalate the violence any further. The Indian coast guards and the Indian Navy stepped up patrols on the Palk Straits and intensified their communication with the Sri Lankan Navy to monitor LTTE movements. India was too concerned at the possible influx of Tamil refugees from Sri Lanka in Tamilnadu. It may be recalled that New Delhi had been concerned about the developments in Sri Lanka right from the beginning of April. On 2nd April India appealed for "consensus" among Sri Lanka's two main political parties to take the country's wobbling peace process forward. The idea emerged as Sri Lanka's former Prime Minister and leader of the opposition Party Ranil Wickremesinghe met Prime Minister Manmohan Singh in New Delhi on April 2 and held detailed discussions with the Foreign Secretary and National Security Advisor MK Narayanan.

193. Briefing Points by Official Spokesperson on Sri Lankan Foreign Minister's call on Prime Minister Dr. Manmohan Singh.

New Delhi, May 8, 2006.

- Sri Lanka's Foreign Minister Mr. Mangala Samaraweera called on Prime Minister Dr. Manmohan Singh and briefed him on the current situation in Sri Lanka and the peace process. He expressed the determination of Sri Lankan Government to maintain the ceasefire and to hold talks with Norwegian facilitation towards that end.
- They also reviewed CEPA negotiations.
- Prime Minister expressed India's interest in the continued stability and prosperity of Sri Lanka¹.

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1. When the Lankan Foreign Minister met Defence Minister Pranab Mukherjee the pending question of defence cooperation was an obvious issue for consideration. After the meeting Journalists asked Defence Minister about the Defence Pact and he said: "You know instead of calling it as such the pact, we have defence cooperation in multifarious areas including the supply of equipments, training, for example Sri Lankan officers is the highest user of all the technical opportunities which we have in different defence institutions starting from NDA. I am really appreciative that whatever number of scholarships given to them is fully utilized, hundred percent utilized and in all areas, starting from ITEC, to NDC and all this. This is one area. Secondly, in respect of equipment, also we are providing as and when requested. Constant interactions between the service officers of the two countries are also taking place....."

194. Media Briefing by Official Spokesperson on the call by Minister of State E. Ahamed on Sri Lankan Foreign Minister.

New Delhi, May 9, 2006.

- MOS Mr. E. Ahamed called on visiting Foreign Minister of Sri Lanka Mr. Mangala Samaraweera today. He also hosted a lunch in honour of the visiting dignitary. Foreign Secretary Mr. Shyam Saran was also present.
- The two sides discussed various aspects of India-Sri Lanka relations. The Sri Lankan Foreign Minister briefed the Indian side on the latest

developments in the peace process. He also expressed readiness of the Sri Lankan Government to participate in the second round of talks at the earliest date possible.

- The discussions also covered other aspects of bilateral relations including the possibilities of early conclusion of the Comprehensive Economic Partnership Agreement as well as the progress on the grant of concessional credits to Sri Lanka for a number of infrastructural projects in Sri Lanka. Other programmes ongoing between the two countries were also discussed.
- Mr. Mangala Samaraweera extended an invitation to MOS Mr. E. Ahamed to visit Sri Lanka and this was accepted in principle¹.

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1. Sri Lanka's Foreign Minister Mangala Samaraweera had a day earlier called on Prime Minister Dr. Manmohan Singh and briefed him on the current situation in Sri Lanka and the peace process. He expressed the determination of Sri Lankan Government to maintain the ceasefire and to hold talks with Norwegian facilitation towards that end. They also took the opportunity to review the progress in negotiations for the CEPA. The Prime Minister expressed India's interest in the continued stability and prosperity of Sri Lanka. The Lankan Foreign Minister later told *the Hindu* that he "briefed the Prime Minister about the current situation in Sri Lanka." When asked whether the situation would spiral towards total war or a salvage job was possible, he said he was "cautiously optimistic". He said India could give leadership to the international community in telling the LTTE to see reason and return to the negotiating table. He said the EU and the US were too concerned about the situation in Sri Lanka. He said defence cooperation too figured in the discussions and the two were hopeful of concluding negotiations on a Comprehensive Economic Cooperation Partnership Agreement by September. The visiting Minister too had a separate meeting with the Minister of State Anand Sharma when the two took stock of the excellent economic and political bilateral relations. Mr. Mangala Samaraweera also sought India's support for the candidature of Mr. Jayanta Dhanapala for the post of the UN Secretary General. India took note of the request. Two days later (on May 11) the Japanese Special Envoy for Sri Lanka Mr. Yasushi Akashi visited New Delhi to brief India on his talks in Colombo both with the Sri Lankan government representatives and the LTTE. In his meeting with the Foreign Secretary he shared his assessment of the current state of peace process in Sri Lanka. The discussions centered on how countries that are friendly to Sri Lanka could help in a way that the ceasefire there is strengthened and the process of dialogue between the parties could commence at the earliest. Mr. Akashi also informed Foreign Secretary about the forthcoming meeting of the Co-Chairs in Tokyo on 30 May 2006 and said that they would welcome any contribution by India in this regard. (The other three Co-chairs are the United States, the European Union and Norway.)

195. Press Release of the Ministry of External Affairs on Sri Lankan Foreign Minister Mangala Samaraveera's call on Prime Minister Dr. Manmohan Singh.

New Delhi, June 22, 2006.

The Foreign Minister of Sri Lanka, Mr. Mangala Samaraveera, paid a one-day visit to New Delhi enroute from Oslo, Norway to Sri Lanka.

He called on Prime Minister, Dr. Manmohan Singh, in the evening and briefed him on the latest developments pertaining to the situation in Sri Lanka.

Prime Minister conveyed to the Sri Lankan Foreign Minister, India's abiding commitment to the unity, sovereignty and territorial integrity of Sri Lanka, even while the legitimate aspirations of all sections of Sri Lankan society needed to be addressed expeditiously. He emphasized the need to make all possible efforts to strengthen the ceasefire between the Sri Lankan government and the LTTE and to work towards a devolution package that could command consensus among the major political parties and restore ethnic harmony.

The Sri Lankan FM conveyed to Prime Minister that for his government, war was not an option and that it remained committed to a political solution to the ethnic issue. The government of Sri Lanka had invited the LTTE to enter into a dialogue to strengthen the ceasefire. At the same time, the all-party conference in Sri Lanka had decided to set up an Advisory Committee to look into different variants of a devolution package.

The Sri Lankan FM also briefed the Prime Minister on the security situation in the country. The two sides have agreed to remain in close touch with regard to developments in Sri Lanka.

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196. Statement by Official Spokesperson condemning the terrorist incident outside of Colombo.

New Delhi, June 26, 2006.

Official Spokesperson: Good evening. The Government of India unreservedly condemns the terrorist bombing incident outside Colombo, Sri Lanka today in which the Deputy Chief of Staff of the Sri Lankan Army, Major General Parami Kulathunga was tragically killed, along with other defence personnel. Several innocent civilians have been seriously injured.

This incident is the latest in a series of recent terrorist attacks which are aimed at undermining the ceasefire and vitiate the environment for a political dialogue.

The Government of India extends its sincere condolences to the Government of Sri Lanka and to the members of the bereaved families. India is determined to stand by the people of Sri Lanka in our common struggle against terrorism, of which both our countries are victims.

It is our view that political processes must be activated through sincere dialogue to arrive at a settlement which takes into account the aspirations of all the sections of the Sri Lankan society, while upholding the unity, sovereignty and territorial integrity of Sri Lanka.

We welcome the efforts being made by the Government of Sri Lanka to evolve a political consensus in this regard and stand ready to share our own constitutional experience to contribute to this process.

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197. Media Report on National Security Advisor M. K. Narayanan's visit to Chennai to meet with the Chief Minister of Tamilnadu as Prime Minister's Special Envoy.

Chennai, August 9, 2006.

National Security Advisor MK Narayanan made it clear in Chennai on August 9 that the Government of India would not directly intervene in the peace process in Sri Lanka. "But we are using all persuasion". Interacting with reporters after his meeting with Tamilnadu Chief Minister, Narayanan said India was "an important factor in the thinking of the Sri Lankan government". As the island government had also been sensitive to India's efforts, it agreed to go ahead with devolution of powers to Tamils. But "the Sri Lankan Government had problems dealing with the LTTE," he said. India's persuasive efforts had become important and different agencies including Norway, and the peace-monitoring mission were talking to it, he said. Mr. Narayanan said he had come to Chennai as the Prime Minister's special envoy to brief the Chief Minister on discussions between India and Sri Lanka during the visit of Sri Lankan Foreign Minister Managala Samarveera to New Delhi.

During the discussions India explained its position on ensuring safety and security of island Tamils and taking steps for devolution of powers, besides stressing the need for making a distinction between the LTTE and Tamils of that country. Asked if New Delhi had any second thoughts on banning the LTTE in the light of Karunanidhi's remarks that the issue was "debatable", he said, "I don't think the Centre has any doubt on the ban on the LTTE. We regard the LTTE as a dangerous organization and hence the ban on it." To a query, Mr. Narayanan said "I don't think the LTTE will plan a threat in Tamilnadu. Of course, they would like to have the support of India to some extent." He said he had spoken to the Chief Minister of "certain threats that had emanated." The Chief Secretary of the State who was present at the meeting would take the necessary follow up action, he said. "There is complete unanimity on the issue of foreign policy between the State government and the Centre," he said when asked if the Chief Minister asked for a change in the policy with particular reference to Sri Lanka.

198. In response to a question regarding the statement made by the Sri Lankan Minister of Tourism.

New Delhi, September 7, 2006.

In response to a question regarding the statement made by the Sri Lankan Minister of Tourism Mr. Anura Bandaranaike in Sri Lankan Parliament alleging that our High Commissioner in Colombo Mrs. Nirupama Rao is interfering¹ in the internal affairs of Sri Lanka, the Official Spokesperson said:

“It is not the policy of Government of India and its representative abroad to interfere in the internal affairs of any country. Our High Commissioner in Colombo Mrs. Nirupama Rao is a senior diplomat and has conducted herself in accordance with the highest professional standards. Her contribution to strengthen Indo-Sri Lankan bilateral relations is well appreciated by the host Government.”

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1. Colombo media quoted Anura Bandaranaike to having said in Parliament that “the pretty Mrs. Rao should look after her Embassy and we will look after our own internal affairs.” He was also quoted as saying that both his parents who were prime ministers and the sister Chandrika Kumaratunga who retired as President in 2005 maintained good relations with India and that Mrs. Rao should not “meddle” in Sri Lanka. In a brief statement Sri Lanka’s Foreign Minister Mangala Samaraweera seeking to distance the government from Bandaranaike’s statement said: “The Government of Sri Lanka is also deeply appreciative of the proactive role the High Commissioner Nirupama Rao in further enhancing Indo-Sri Lanka relations upon taking her appointment of Sri Lanka. Sine the assumption of office by President Mahinda Rajapaksa in the face of many challenges, India continued to support Sri Lanka’s efforts to achieve peace and security while preserving the country’s territorial integrity and this should be appreciated by all right minded Sri Lankans.”

199. Briefing Points by Official Spokesperson on the visit of a delegation of All Party Representatives Committee (APRC) from Sri Lanka.

New Delhi, October 26, 2006.

- A 15-member delegation from Sri Lanka comprising All Party Representatives Committee (APRC) is visiting India from October 26 – October 29, 2006.
- The President of Sri Lanka has set up the All Party Representatives Committee and tasked it with finding the basis for a lasting political

settlement to the ethnic problem in Sri Lanka. With this in mind, the APRC is looking at various models of devolution.

- It is against this background that the APRC is visiting India and will be briefed by our Ministry of Law as well as Ministry of Home Affairs on the basic features of the Indian constitution, Centre-State relations and the working of grassroots institutions such as the *panchayat*. After receiving briefing in Delhi from the relevant Ministries and experts, the APRC is expected to travel to both Karnataka and Kerala to look at the functioning of the grassroots institutions of our democracy.
- The visit is evidence of our willingness to assist Sri Lanka in finding a negotiated, political settlement to the ethnic problem which would satisfy all sections of Sri Lankan society¹.

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1. There was sharp deterioration in the ethnic situation in Sri Lanka which had its impact in Tamilnadu too. The Chief Minister of the State was deeply concerned and a delegation on his behalf led by Shipping and Transport Minister T. R. Balu met the Prime Minister in connection with the deteriorating law and order situation and requested him for "immediate" and "appropriate" intervention to put an end to such unprovoked and indiscriminate offensive of the Sri Lanka army against the Tamils. He drew Prime Minister's attention to the series of ghastly killings and indiscriminate bombings by the Sri Lanka security forces. Later Mr. Balu told the media that the Prime Minister was "equally concerned" over the human tragedy and promised to discuss the matter with the External Affairs Minister. The Tamilnadu Chief Minister Karunanidhi next day (November 11) addressed a press conference and called upon the centre to think of an appropriate solution to end the war in the island. He did not think that sending a parliamentary committee to Sri Lanka to find facts would serve any useful purpose. Meanwhile in a Memorandum submitted to the Prime Minister on November 14 the All India Bar Association expressed serious concern over continuing hostilities in Sri Lanka. The Memorandum said the Sri Lankan Government repeatedly violated international norms and United Nations guidelines by "resorting to large-scale killings. It sought intervention of Prime Minister to stop ethnic killings in the island. The Bar Council said: "We call upon the international community to voice their strong protest to ensure that the ethnic conflict comes to an end. It must be noted that the present situation resembles what was witnessed during 1983 when such mass killings took place. Thousands of refugees have started coming to India leaving their homes and property in the island. In this precarious situation it is the responsibility of the Indian Government to make efforts to stop the ethnic killings immediately." On November 16 responding to the Bar's Memorandum, Sri Lanka High Commissioner in New Delhi Ramesh Jaysinghe cautioned about the LTTE spreading misinformation globally to hide the reality that the violence in Sri Lanka was solely instigated by the state. He met the Chairman of All India Bar Council Adish Aggarwala and gave him a note on the ground realities on the island. The note said: "Sri Lanka continues to suffer from the terrorism perpetrated by the LTTE. This organization has due to its activities now been identified as terrorist in nature by the United States, the United Kingdom, the European Union, India and Canada. In this situation, the Government and the people of Sri Lanka have no option but to resolutely resist the terror of the LTTE. At the same time the Government of Sri Lanka is firmly committed to resolving the legitimate grievances of the Tamil Community." *The Hindu* quoted Mr. Aggarwala to say that the High Commissioner told the Bar Council representing the legal fraternity not to fall prey to the LTTE misinformation and he told the High Commissioner that the Council was not supporting the LTTE.

200. Visit of Foreign Secretary Shivshankar Menon to Sri Lanka November 22-24.

Colombo, November 23, 2006.

The Indian Foreign Secretary Shri Shivshankar Menon visited Sri Lanka from November 22 – 24, 2006. This is the first visit to Sri Lanka undertaken by Shri Shivshankar Menon since assuming duties as the Foreign Secretary of India.

During his visit the Indian Foreign Secretary called on H.E. the President, Hon. Prime Minister, Hon. Minister of Foreign Affairs and on the Leader of Opposition. He held extensive discussions with Acting Secretary, Foreign Affairs and senior government officials on a range of issues relating to bilateral cooperation between the two countries.

Both parties noted in particular the satisfactory growth in the volume of trade since the signing of the Free Trade Agreement, which has now reached the US\$ 2 billion mark. The need to conclude the ongoing CEPA discussions at the earliest and in a mutually beneficial manner was also underscored.

The visit underlined the warm and friendly relations between Sri Lanka and India and the need to continue the close cooperation that currently exists between the two countries¹.

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1. There has been no official word about the nature of talks held by the Foreign Secretary in Colombo, besides the trade as the Web site of the Indian High Commission said. But media reports stated that during his meeting with the Sri Lanka President, Menon said India looked forward to an early “comprehensive political settlement” of the ethnic issue, which must take into account the aspirations of all sections of the population particularly the Tamils. A report on the visit in the daily *Hindu* said:
“In a ‘free and frank’ exchange of views, Mr. Menon at his meeting with the interlocutors is reported to have articulated the Indian concerns, particularly over the death of innocent citizens and the humanitarian crisis caused by the continued fighting. The visit assumed added importance after Tamilnadu Chief Minister M. Karunanidhi wrote to the Prime Minister on November 9 raising concerns over the plight of the innocent citizens caught in the conflict. Dr. Singh replied to him last week saying that India would raise the issue with Sri Lanka. Mr. Menon is scheduled to return to New Delhi via Chennai. Indications are he will apprise Mr. Karunanidhi of the outcome of his visit. Mr. Menon told the Sri Lankan authorities that India was ready to provide humanitarian assistance to the internally displaced as well as people of Jaffna affected by the closure of A.9 highway. In his letter to Mr. Karunanidhi, the Prime Minister said the Centre was dispatching essential commodities to Sri Lanka taking into consideration the situation in the northern and

eastern parts. He said, 5,200 tonnes of rice, 1,500 tonnes of sugar and 300 tonnes of milk powder would be sent. India's interest in a solution to the ethnic problem that protected the Tamil citizens within the framework of a united and federal Sri Lanka was "deep and continuous." At his meeting with Mr. Menon Mr. Rajapaksa gave details of the work being done by the All Parties Conference and the multiethnic group of experts to provide a framework for resolution of the ethnic problem. A Sri Lanka Foreign Office statement said the peace process, the negotiations on the Comprehensive Economic Partnership Agreement, the proposed Indian investment in a coal power plant in Trincomalee and the prospects for cooperation in the health and cultural spheres figured at the meeting." Another report in the Hindu on the same day said that the National Security Advisor MK Narayanan was scheduled to arrive in Chennai to call on the Tamilnadu Chief Minister M. Karunanidhi and the Foreign Secretary who would be back from Colombo after his meeting there would join him in the meeting with the Chief Minister.

201. Briefing Points by Official Spokesperson on the visit of President of Sri Lanka.

New Delhi, November 28, 2006.

Shri Pranab Mukherjee, External Affairs Minister called on Sri Lankan President Mr. Mahinda Rajapakse and held detailed discussions on India – Sri Lanka bilateral as well as the peace process in Sri Lanka.

EAM conveyed the hope that there would be early progress in the peace process so that all ethnic communities in Sri Lanka can live harmoniously and are able to achieve their aspirations.

Thereafter, EAM held delegation level talks with Sri Lankan Foreign Minister Mr. Mangala Samaraweera on all aspects of bilateral relations. During these talks, several on-going economic projects between the two countries were also reviewed¹.

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1. On the eve of his visit to India, the Sri Lanka President floated the idea of joint patrolling of the seas by Indian and Sri Lankan navies. At a three-hour interaction with a group of journalists in Colombo he said the LTTE was emerging as a potent sea force, posing a serious threat to not only Sri Lanka but also to India and the world. "We believe joint patrolling would help check arms and smuggling and drug trafficking. In the last few weeks, there have been instances of the LTTE seizing trawlers of the Indian fishermen for its illegal activities. It was time we realized the Sea Tigers' threat," the President said. He further added: "In my interaction with the Indian leadership I would like to emphasise, that the LTTE does not represent Tamils. We would like some of the leaders of Tamilnadu to understand that all Tamils are not Tigers." Lauding India's role in resolving the ethnic conflict, he said: "We want Indian support economically and in furthering the

peace process without whose support we can't go ahead. I am grateful to India. They are not only our neighbours, but our best friends too. They have offered some 7,000 tonnes of food and we are working on arranging supplies." While in India, the President was the chief guest at the Asian Mayors' Conference in Dehra Dun on November 26. Besides meeting Indian leaders, he attended some private functions too.

Media reports quoted official sources to say that India did not accept Sri Lankan proposal for joint patrolling of seas, but India was willing to supply "non-lethal" logistical items to Sri Lanka military. The official sources claimed that the Indian ships were already patrolling its territorial waters and the idea of "joint patrolling" was not on the cards. According to the same official sources quoted by the media, the External Affairs Minister conveyed to the Sri Lankan President New Delhi's concerns at the continuing civilian deaths in Sri Lanka and hoped that a way would be found to resume peace process. There was no military solution to the conflict between the government and the LTTE, the External Affairs Minister reportedly told the visiting President. India showed its willingness to send humanitarian supplies to deal with the humanitarian situation in the north and the east.

The Sri Lanka President too had a meeting with the Prime Minister and later told journalists that "we had straight forward talks one –to-one." Describing his talks with Dr. Manmohan Singh very cordial, the President told *the Hindu* that "I had the chance of explaining my position and the situation there." "The Prime Minister also made his comments and (expressed) his concerns about the humanitarian issues in Sri Lanka, and the refugees that had come here (in India)," Rajapaksa said. India had been concerned with the developments in Sri Lanka and their impact on the public opinion in Tamilnadu for quite sometime. The Tamil leaders from the State had been drawing attention of New Delhi to the violence and the suffering of the Tamils. Vaiko, the leader of the MDMK had written to the Prime Minister on the subject and a delegation of the party had called on him on August 30 when the Prime Minister assured that India would not extend any military aid to Sri Lanka. Vaiko along with his party leaders also observed a day-long fast on November 27 coinciding with the visit of Sri Lankan President to protest against the visit and to urge the Union Government not to have any defence pact with the island nation. A day earlier on the eve of the visit he had called on the External Affairs Minister and opposed any defence pact or military cooperation with Sri Lanka.

Soon after the present visit of the Sri Lankan President Chief Minister of Tamilnadu fearing that New Delhi might provide weapons to Sri Lanka with their possible use against the Tamils, wrote to the Chairperson of the United Progressive Alliance (an alliance of which his party DMK is a partner at the Centre) against any possible supply of military aid to the Island. The Chairperson, Mrs. Sonia Gandhi replied to the two letters of the Chief Minister on December 14, assuring him that as per the policy of the Central Government, New Delhi would not provide Colombo with arms or materials that could be used against the civilian population. She said in her letter that it had been the Congress stand, of which she is the President, that nothing should be done that would affect the lives and well-being of the Tamils of Sri Lanka "whose welfare remains a matter of utmost concern". Regarding the large scale violence, she said that "we have consistently pointed out that there is no justification for such violence and that the killings of innocent people, especially women and children, is not acceptable." She added that the UPA government had been taking up the issue with the Sri Lankan Government.

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INDIA'S FOREIGN RELATIONS - 2006

SECTION - V

**(iii) SOUTH-EAST, EAST ASIA AND
PACIFIC**

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AUSTRALIA

202. Joint Press Conference by Prime Minister Dr. Manmohan Singh and Australian Prime Minister John Howard.

New Delhi, March 6, 2006.

Dr. Manmohan Singh: Mr. Prime Minister, ladies and gentlemen of the press.

It's a matter of great pleasure to welcome Prime Minister John Howard and his delegation to our country. This is Prime Minister Howard's second visit to India and he has just completed ten years as Prime Minister and I congratulate him on that important milestone.

Prime Minister John Howard and I have completed a very cordial and productive discussion today. We exchanged views on a number of important bilateral and regional issues. Our relations with Australia are developing well in diverse areas, including trade in goods and services, investment, defence, security, education, science and technology, environment, civil aviation and sports. We also discussed ways of rapidly expanding cooperation in counter terrorism, which is a subject of common concern.

Today we have signed six agreements¹ including a Trade and Economic Framework, an air services agreement, MOUs on cooperation in defence, customs and biotechnology and a letter of intent on the establishment of a strategic research fund. We look forward to the further

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1. The details of the agreements/MOUs signed are as under:
 - a. Trade and Economic Framework Agreement
Indian Signatory: Mr. S.N. Menon, Commerce Secretary
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia
 - b. Agreement on Air Services
Indian Signatory: Mr. Ajay Prasad, Secretary, Civil Aviation
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia
 - c. MOU on Defence Cooperation
Indian Signatory: Mr. Shekhar Dutt, Defence Secretary
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia
 - d. MOU between Central Board of Excise and Customs, Government of India and Australian Customs Services of the Commonwealth of Australia
Indian Signatory: Mr. M. Jayaraman, Chairman, Central Board of Excise and Customs
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia

enhancement of our bilateral ties and closer cooperation in regional fora. The emerging regional architecture is an important focus of both countries and we have committed to working together to strengthen peace and cooperation in the Asia-Pacific region. Relations between Australia and India are evolving into a strong partnership and India is committed to working with Australia to upgrade our bilateral relations in all areas. May I now invite you Mr. Prime Minister to make some comments, if you wish, before we invite questions.

Mr. John Howard: Thank you very much Prime Minister. I am delighted to be back in India and I thank you very warmly for the hospitality that you have extended to me, to my wife and to the members of my party. By any measure this is a very significant moment in the history of India. There is little doubt that the world is seeking to interact with, and be part of, the extraordinary economic growth and achievements of India in recent years. The country's economic changes of the early 90s, which you as a former Finance Minister were largely responsible, have begun to secure for India a growing place in the world's economy and in so many different ways, Australia wishes to be part of that. Our trade has grown very rapidly. Our people-to-people links have always been strong. They have grown at pace in recent years and I remarked to you earlier that it's been the rate of growth of those links, tourism, student numbers which have been very, very impressive. I especially welcome the comments you made about counter-terrorism. We both have an interest in fighting terrorism in our part of the world. Terrorism is a common enemy of all democracies and on that note, can I express my continuing admiration for the strength of democracy in India. I share the view that all people want to taste democracy. India has practiced democracy since gaining her independence in 1947 and has been an example through difficult times and easier times to the rest of Asia and many other countries around the world. It's been a great example of democracy. The energy needs of India of course are known to Australia and they are matters that we discussed. Australia has had a long standing and

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- e. MOU on Biotechnology
Indian Signatory: Dr. M.K. Bhan, Secretary, Department of Biotechnology
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia
 - f. Letter of Intent on India-Australia Strategic Research Fund
Indian Signatory: Prof. V.S. Ramamurthy, Secretary, Department of Science and Technology
Australian Signatory: Mr. John McCarthy, High Commissioner for Australia

very strong relationship in energy exports to many countries in the region and subject to the policies of my Government we would want to continue and to expand that process. Mr. Prime Minister, can I conclude by saying that there is so much that our two countries naturally have in common, for a combination of reasons, in the past the potential has not been fully liberated. I have the feeling that the potential between our two countries is now being freed of earlier constraints and I am very hopeful and indeed I am personally very committed to ensuring that association grows very much in the years ahead. Thank you.

Question (Greg Turnbull, Ten Network): My question is to both Prime Ministers on the issue of uranium sales. Prime Minister Singh, Mr. Howard has made it clear that he has no current intention to change the long-standing policy of Australia to refuse to supply uranium to countries which did not sign the Non-Proliferation Treaty. What arguments can you put why Australia should make an exception and supply uranium to India? And Mr. Howard, on what conditions or terms could you see Australia could supply uranium to India, short of India signing the NPT?

Dr. Manmohan Singh: India may not be a signatory to the NPT but we abide by most of the disciplines mentioned in that treaty. We have an impeccable record of not contributing to any unauthorised proliferation of sensitive nuclear technologies. We've also committed ourselves to a moratorium on further tests, and therefore I feel the world community must take note of India's impeccable credentials of not having contributed to proliferations in making up its mind about cooperation with our country.

Mr. John Howard: Mr. Turnbull, it is true that we've had a policy for a long time of only exporting uranium to countries that adhere to the nuclear Non-Proliferation Treaty and you're right Mr. Downer¹ and I both said there's no current intention of changing that policy. So far as the agreement between the United States and India is concerned, it is a very significant agreement, and we look at it positively. In particular, it brings within the

1. Speaking to journalists separately on March 6, Prime Minister Dr. Manmohan Singh said "We would very much like Australia to sell uranium to India." In an interview to an Australian newspaper Dr. Manmohan Singh said: "I hope Australia will be an important partner in this. We are short of Uranium and our needs will increase in the years to come. I very much hope that Australia as a member of the Nuclear Suppliers' Group would endorse what I and President Bush have worked out. This is an arrangement, which helps the cause of nuclear non-proliferation. India has an impeccable record of not entering into any unauthorized arms proliferation." In Canberra in an interview the Australian Foreign Minister Dower said Australia would

reach of international inspections, the civilian nuclear capacity of India and that's a very important development and it would be very foolish to ignore it. It also means that India sees the need to interact on these issues with other countries. I think that is also a very important development and we are anxious to obtain more information about how the processes under that agreement would work and one of the things that the Prime Minister and I have agreed is that officials from the two countries will be in touch with each other so that we might better understand some aspects of the agreement that's been concluded between the United States and India.

Question (Sambuddha, DD News): The US-India deal, does it give India the status of a de facto nuclear power and do you agree with President Bush in cutting this deal?

Mr. John Howard: Well the agreement between India and the United States is an agreement between India and the United States and it doesn't have any automatic impact on Australia. It doesn't automatically affect Australian policy in relation to these matters. But I don't want to give it particular labels because it's an agreement between two other countries and it's not for me to put labels on that except to remark as I did earlier that it's a very significant development and I think it has to be acknowledged that the decision of the United States President to come here and to have these discussions

not supply uranium to India as long as it did not sign the NPT. Speaking to two Indian journalists ahead of his Prime Minister's visit to New Delhi, Dower recalled that the foundation of his country's policy on nuclear supplies was that it would export uranium only to countries that had signed the NPT. Since India had not done so, and was unlikely to sign it soon, the export could not happen. "Some of the proposals put forward by India, even if they do not amount to signing the NPT but only adhering to the transparency of the regime, may not be optimal but that is a step in the right direction," Howard remarked. Later on March 17 speaking at a press conference in Sydney along with US Secretary of State Condoleezza Rice, Prime Minister Howard said: "We have a policy and we're not going to automatically change it" since India had not signed the NPT. Again speaking to journalists after his meeting with the visiting British Prime Minister Tony Blair and while discussing the possibility of sale of uranium to China, Howard said negotiations with China, a signatory to the NPT should not be seen as a model for uranium supplies to India. However he left the door open for future supplies of uranium to India. Prime Minister Howard said: "Whilst India is not a signatory to the treaty...her behaviour since exploding a (nuclear)device in 1974 has been impeccable" as a practitioner of non-proliferation. Cautioning that "you should not think there is going to be an immediate change of Government policy in relation to India," he said Canberra would "take one step at a time" in resolving the issue of uranium sales to New Delhi. Noting that the recent nuclear energy agreement between USA and India was "good", he said Australia would send an official delegation to India "in the next few weeks" to discuss "the form and the substance" of that accord. The same team would then travel to Washington for talks with US administration on the same subject. "The next stage in the Indian process" would be discussions of the Indian case by the NSG which included Australia.

and to enter into this arrangement with the Indian Government is a very significant move and it's something that the Australian Government views positively. Both Mr. Downer and I have made that very clear.

Question (Jeff Thomson, ABC): Both Prime Ministers, my question is first of all to Prime Minister Singh. Given that Australia has ruled out selling uranium to India for the time being, would you be asking Australia to lobby on your behalf to other members of the Nuclear Suppliers Group to sell you uranium, and if so, would you be prepared to do that?

Dr. Manmohan Singh: The agreement with the United States does provide that the US Government will use its influence with its friends and allies to soften the restrictions which members of Nuclear Suppliers Group apply to India, that we will be enabled to trade freely in sensitive nuclear materials and technologies. That is the commitment the United States has made. The United States may be talking to various members of the Nuclear Suppliers Group and Australia is an important member of the Nuclear Suppliers Group and I had the opportunity to raise this matter with the Prime Minister and you have heard his response.

Question (Jeff Thomson, ABC): Are you asking him though to lobby on your behalf as well?

Dr. Manmohan Singh: Well I sincerely expect that the Australian Government will take a positive view of recent developments.

Mr. John Howard: Well Mr. Thompson, the Australian Government's position is exactly as I stated it. I'm not putting different words on it, I think you understand the meaning of English language in relation to these matters. So far as the Nuclear Suppliers Group is concerned, well that's an issue that we will take our counsel on. It's important to make the point that we have had a longstanding policy and we are operating in accordance with that policy and then along comes a very important agreement between India and the United States. Well we're not going to suddenly, automatically change our position because of that, much in all as we support and laud the agreement that's been made between India and the United States. We will have a look at everything, we'll get some more information, we'll take our counsel and then decide what position we will take in relation to the Nuclear Suppliers Group and obviously I've listened to what the Prime Minister has said and the discussion was conducted in a very friendly fashion. But we won't decide our attitude in relation to that on the basis of representations from the United States any more than we would on other issues.

Question (Amit Baruah, *The Hindu*): Mr. Howard, I am a little confused by your remarks, what you said in Sydney you know, that you are willing to consider sales provided that India meets all the safeguards. That's what you said. And that's what you've been quoted as saying by all the wire services, Reuters etc. When you spoke this morning, you said officials of both countries would meet each other. Are you ruling out the supply of uranium? India has a special status because it is neither a non-nuclear weapons state nor is it amongst the five nuclear powers. It is a special kind of situation? As a friend of India will you now be willing to reconsider what our Prime Minister....?

Mr. John Howard: Well Australia is certainly a friend of India and I don't think he expects me and I don't think any reasonable person expects me to do other than repeat in plain English what our position is and I have said that. Our position has been that we would not sell uranium to countries that do not adhere to the nuclear Non-Proliferation Treaty. We don't have any current intention of changing that policy. We're very interested in the agreement that's been made. We want to get more information about it, but we don't sort of alter policy at press conferences.

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203. Trade and Economic Framework between The Republic of India and Australia.

New Delhi, March 6, 2006.

The Republic of India and Australia ("the Parties"):

DESIRING to strengthen further the close and enduring relationship the Parties have developed through many years of productive and mutually beneficial cooperation;

RECALLING the Trade Agreement (1976) between the Parties, and the Investment Promotion and Protection Agreement (2000) between the Parties;

REAFFIRMING their willingness to strengthen and reinforce the multilateral trading system as reflected in the World Trade Organization (WTO);

ASPIRING to lift total bilateral merchandise and services trade and

promote the Parties' mutual interest through the further integration of their economies and by forging deeper and broader economic linkages through the facilitation and expansion of trade and investment;

Have reached the following understandings:

-Paragraph 1-

The Parties will work towards the facilitation of trade and investment on a balanced and comprehensive basis through various avenues.

-Paragraph 2-

The Parties will take steps to promote strategic cooperation in key sectors with outstanding potential, *inter alia*, energy and mining, infrastructure development and financing, information and communications technology, services of mutual interest (including education, tourism and film and entertainment), sports (major sporting event infrastructure and management, technology, management and medicine), the food and beverage industry, textiles, clothing and footwear; agriculture; inspection and quarantine; customs cooperation; investment; defence industries, and biotechnology. The cooperation in the above-mentioned areas and related initiatives will assist firms of both countries to identify commercial opportunities and strengthen bilateral trade and investment.

-Paragraph 3-

Being aware of the role of people-to-people links in providing a foundation for continued growth in trade and investment, and welcoming the existing depth of such relationships, the Parties will work to encourage and enhance cooperation and commercial exchanges in the areas of education, film and entertainment, sport and tourism.

-Paragraph 4-

The Parties recognise the benefits of regular bilateral meetings at senior levels, including in the areas responsible for trade, the economy and taxation, information and communications technology, education, science, tourism, immigration, agriculture, resources and energy, in building a stronger bilateral partnership and will work together cooperatively to facilitate such meetings, including at multilateral and regional fora.

The Parties will enhance dialogue on trade and economic cooperation (including through the Joint Working Group on Education and Training Cooperation, the Joint Working Group on Energy and Minerals, the Joint Science and Technology Committee, the Joint Working Group on Tourism,

the Joint Working Group on Information and Communications Technology), strengthen the India-Australia Joint Ministerial Commission and take steps to facilitate bilateral trade and investment and the resolution of issues that may arise.

-Paragraph 5-

The Parties will promote high-level two-way visits and dialogue between the government, business and academic communities of the Parties for the purpose of developing and enhancing the trade and investment partnership and strengthening cooperation on issues of mutual interest.

-Paragraph 6-

The Parties recognise that every effort should be made to facilitate travel between the two countries (particularly for business people) and note with satisfaction the recent introduction of Australia's onshore Sponsored Business Visitor Visa which allows business in Australia to sponsor short-stay business visitors, and for applications to be processed in Australia.

-Paragraph 7-

The Parties recognise the importance of regular high level consultations on regional and multilateral trade issues, including in the WTO, and of seeking to coordinate policy positions and approaches to the extent possible. The Parties will hold regular dialogue on these issues, as appropriate, at senior officials and ministerial level.

The Parties will enhance dialogue in matters of trade, including trade remedies, to afford each other fair treatment in trade policy and trade measures.

-Paragraph 8-

The Parties recognise that all national government measures which impact on bilateral trade and investment should be implemented in a reasonable, objective and transparent manner. The Parties will afford adequate opportunity for consultations to exchange information on issues raised by either Party with respect to such matters. The Parties will extend such consultations to concerned businesses and investors.

-Paragraph 9-

The Parties will afford adequate opportunity for consultations to exchange information and views on issues related to the possible

implications of agreements between either country and a third country or countries that provide for preferential treatment of trade or investment.

-Paragraph 10-

The cooperation under this Framework is subject to the Parties' respective laws and regulations and subject to the available resources of the Parties' governments.

IN WITNESS WHEREOF the undersigned, being duly authorised by their respective Governments, have signed this Framework.

SIGNED in duplicate at New Delhi this sixth day of March 2006.

FOR THE REPUBLIC OF INDIA

FOR AUSTRALIA

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204. Memorandum of Understanding on Defence Cooperation between the Government of the Republic of India and the Government of Australia.

New Delhi, March 6, 2006.

The Government of the Republic of India and the Government of Australia (hereinafter referred to as "the Participants"):

In pursuance of the understandings of the defence authorities of both Participants concerning the development of a close and constructive India-Australia defence relationship, based on the principles of open dialogue, mutual benefit and reciprocity;

Noting the common interests in the stability of the Asia-Pacific region, non-proliferation of weapons of mass destruction, combating international terrorism, and security of sea lanes of communication;

Recognizing the requirement of developing a close and constructive defence relationship that will be instrumental in promoting the common interests of the two Participants;

Desirous of improving mutual understanding of strategic perceptions and defence policies in accordance with their respective national laws and international obligations;

Have reached the following understanding:

SECTION 1

The purpose of this Memorandum of Understanding on Defence Cooperation between the Government of the Republic of India and the Government of Australia (hereinafter referred to as “the MOU”) is to promote cooperation and understanding between the Participants in defence strategic dialogue, defence industry, production, education, training and acquisition of defence equipment, research and development and management.

SECTION 2

- 2.1 The cooperation between the defence authorities of the Participants will include defence and military activities such as those listed in Section 3.
- 2.2 The primary mechanism to guide and monitor India-Australia defence cooperation will be the India-Australia Joint Working Group on Defence to be co-chaired by appropriate level officials designated by the Defence Ministers of the Participants.

SECTION 3

In particular, the defence cooperation may take the following forms:

- 3.1 **Defence strategic dialogue** - comprising of exchange of views on security and defence related matters, with a view to improving mutual understanding of strategic perceptions and defence policies, and regular exchange of high level visits and security assessment exchanges. The Participants will also exchange views seeking to strengthen the capabilities of their respective militaries to promote security and combat terrorism.
- 3.2 **Defence professional exchanges** - Continue with professional exchanges, seek to identify and investigate new opportunities to participate in knowledge focused cooperation through training, seminars and study visits in areas of mutual interest.
- 3.3 **Defence Maritime Cooperation** - Both Participants will explore options for extending cooperation in this sphere in the context of common interest in the security of the Indian Ocean and other areas of mutual interest and benefit. Maritime cooperation may include cooperation activities such as joint naval exercises, ship visits and professional exchanges.

- 3.4 **Defence material cooperation** - The Participants will strive to promote mutually beneficial exchanges between the defence organizations in various areas of mutual interest including, inter alia, acquisition of defence equipment, services, training, technology, research and development and management.

SECTION 4

The Participants may seek to expand the areas of cooperation listed in this MOU, by identifying new areas of cooperation for promoting and deepening India-Australia defence exchanges in the areas of mutual interest.

SECTION 5

- 5.1 In implementing these defence cooperation activities, each Participant, will unless otherwise mutually determined, bear its own costs.
- 5.2 Where appropriate, the implementation of cooperative measures under this MOU will be done pursuant to the written arrangements mutually determined by the defence authorities.

SECTION 6

Both Participants will ensure that the information acquired in the processes of defence activities under this MOU is dealt with appropriately, in line with their respective national laws, regulations and policies as well as complying with the request of either defence authority regarding specific requirements to protect particular information.

SECTION 7

- 7.1 Both Participants may review this MOU at any time and amend it by mutual consent in writing.
- 7.2 Any difficulties, which arise under this MOU will be resolved through consultation and negotiation between the Participants and will not be referred to any national or international tribunal or any third party.

SECTION 8

- 8.1 This MOU will come into effect on the date of signature and remain valid for a period of ten years and at the end of this period will be automatically extended for further periods of ten years, unless either Participant gives at least six months prior notice of its intention to terminate this MOU.

8.2 This MOU can be terminated by either Participant giving notice in writing at least six months in advance of its intention to do so. Any ongoing projects or any other implementing arrangement being conducted in pursuance to this MOU will remain in effect notwithstanding the termination of this MOU.

Done in New Delhi on 6-3-06 in Hindi and English, both texts being equally authentic. However, in case of dispute the English text will be taken as the primary reference.

**For the Government of
The Republic of India**

**For the Government of
Australia**

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CHINA

205. Exchange of messages between President and Prime Minister with their Chinese counterparts in connection with “India-China Friendship Year”.

January 1, 2006.

[During the visit of the Chinese Premier Mr. Wen Jiabao to India in April 2005 it was decided to mark the year 2006 as the “India-China Friendship Year”. President Dr. A.P.J. Abdul Kalam and Prime Minister Dr. Manmohan Singh have exchanged messages with their Chinese counterparts on the occasion of the New Year which will be marked as the “India-China Friendship Year”.]

Following is the text of the messages from President A. P. J. Abdul Kalam to Chinese President Hu Jintao:

“Excellency,

I have great pleasure in extending to the Government and the people of China, and to you personally, warm felicitations and cordial greetings of the New Year, which is being marked as the “India-China Friendship Year”.

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 relationship reflected in the principles of Panchsheel jointly enunciated by our forefathers more than fifty 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. This qualitative upgradation 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.

The remarkable growth and diversification of India-China relations in recent years is a matter of satisfaction and gives optimism for the future of our relationship. 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 commemoration of "India-China Friendship Year" is truly a tribute to the distance traversed, through friendly exchanges and contacts, by our two nations through the labyrinths of time. It marks a landmark in our ties from where we hope to take forward our relations towards even greater substance and richness.

Excellency, please accept my best wishes for your good health and for the prosperity and well-being of the people of China.

With the renewed assurances of my highest consideration."

Message from Prime Minister Dr. Manmohan Singh to Chinese Premier Wen Jiabao.

"Excellency,

On behalf of the Government and the people of India, and on my own behalf, I have great pleasure in extending to the Government and the people of China, and to you personally, warm felicitations and cordial greetings on the arrival of this New Year, which we have agreed to mark as the "India-China Friendship Year".

The New Year begins against the backdrop of a year which witnessed a number of important milestones in our bilateral relations. This includes the historic visit of Your Excellency to India, during which 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 longstanding 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.

Friendship and peace between India and China is our shared aspiration, which is also in consonance with our common long-term and strategic vision of the relationship. Indeed, our fast developing relationship today transcends the bilateral dimension and is an important determinant

for the peace and security, as well as development and prosperity, of Asia and the world. It is important that we continue adding greater substance to our bilateral exchanges and international cooperation. I recall with pleasure the warm exchange of views we had in Kuala Lumpur on the sidelines of the East Asia Summit where we reiterated our mutual resolve to accelerate the momentum of our wide-ranging cooperation. Excellency, 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. We are confident that with shared determination and joint endeavour, we will be able to elevate and strengthen the India-China partnership in the 21st century. I would like to take this opportunity to extend my best wishes for Your Excellency's good health and for the prosperity and well-being of the people of China.

Please accept, Excellency, the renewed assurances of my highest consideration."

"Message from Chinese President Hu Jintao to President Dr. A.P.J. Abdul Kalam.

"Your Excellency, On the occasion of the New Year's Day of 2006, I wish to extend, on behalf of the Chinese Government and people and in my own name, our warm congratulations and best wishes to you, and through you, to the Indian Government and people.

China and India are friendly neighboring countries linked by common mountains and rivers. Our two peoples have a long history of friendship. Since the establishment of our diplomatic ties, thanks to our concerted efforts, the bilateral relations have been continuously brought to a still higher level. China and India announced to establish a Strategic and Cooperative Partnership for Peace and Prosperity in 2005. It symbolizes that the bilateral relations have entered a new stage of development. Our two sides also declared 2006 as the "Year of China-India Friendship", reflecting the mutual wishes of the two governments and peoples to strengthen friendly and good-neighborly relations, expand mutually beneficial cooperation and promote common development.

China and India are major developing countries with great influence in the world. An everlasting China-India friendship not only serves the fundamental interests of our two countries and peoples, but also contributes

to peace, stability and development in Asia and the entire world. In the coming new year, the Chinese side is ready to work together with the Indian side, take the "Year of China-India Friendship" as an opportunity, carry forward the traditional friendship between our two countries, strengthen dialogues, exchanges and cooperation in all fields and at all levels, continuously deepen the contents of the bilateral relations, and push forward the China-India Strategic and Cooperative Partnership in an all-round and in-depth way.

May the Republic of India enjoy prosperity and your people well-being. May the friendship between the Chinese and Indian people grow with each passing day and pass on from generation to generation."

Message from Chinese Premier Wen Jiabao to Prime Minister Dr. Manmohan Singh:

"Your Excellency, On the occasion of beginning of the "Year of China-India Friendship", I wish to extend, on behalf of the Chinese Government and in my own name, our warm congratulations and best wishes to you and the Indian Government. China and India are friendly neighboring countries and record a long history of friendly exchanges between our two peoples. Since the establishment of our diplomatic ties, the friendly cooperative relations between China and India have been continuously moving forward. Especially in recent years, China-India relations have made outstanding progress. During my visit to your country in April 2005, I jointly signed with your Excellency the China-India Joint Statement, announcing the establishment of a Strategic and Cooperative Partnership for Peace and Prosperity between our two countries, and declaring the year 2006 as the "Year of China-India Friendship". China-India relations are faced with important opportunities for development.

The Chinese Government firmly pursues the policy of developing long-term, stable, good-neighborly and cooperative relations with India. The Chinese side is ready to work closely with the Indian side, by jointly holding celebrating activities of the China-India Friendship Year, to further expand friendly exchanges, strengthen mutually beneficial cooperation, and continuously enrich the contents of the strategic and cooperative partnership between our two countries. May the friendship between the peoples of China and India be everlasting."

NOTE: The following programmes were lined up by the two countries for the celebrations:

{All proposals in bold will be undertaken jointly by India and China; rest are individual proposals, with facilitation from the other side.}

I. POLITICAL

1. **Exchange of messages between Presidents and Prime Ministers to commemorate the Friendship Year.**
2. **Exchange of high-level visits.**

II. DEFENCE EXCHANGES

3. **Visit of Indian Defence Minister to China.**
4. **Continuation of defence exchanges at various levels.**
5. **Trans-border interactive visits and sporting activities between the two armies.**

III. ACADEMICS AND PUBLICATIONS

6. **Publication of “Across the Himalayan Gap: Volume II” as a joint endeavour between India International Centre (IIC) and Indira Gandhi Centre for National Art (IGNCA) on the Indian side and CASS/Beijing University on the Chinese side.**
7. **Bilingual publication of major India-China Bilateral agreements and MOUs till December 31, 2005.**
8. **Mutual translation of literary classics.**
9. **Workshop to be organized in both countries on education cooperation by major universities of both sides.**
10. Exhibition of Indian books in China.
11. The book “Dr. Kotnis and Me” written by Mrs. Kotnis (Mme. Guo Qinglan) to be translated and published in India.

IV. SCIENCE AND TECHNOLOGY

12. Signing and operationalisation of MOU on India-China Steering Committee on S&T Cooperation during the proposed visit of Indian Minister of State (S&T) to China.

13. Exhibition of practical patented technology from India

V. CULTURE, SPORTS AND YOUTH EXCHANGES

14. **Inauguration of the Indian-style Buddhist Temple in Luoyang**
15. **Inauguration/opening ceremony of the Xuan Zang Memorial in Nalanda**
16. **Visit of India's Minister of Culture to China**
17. **Visit of Chinese Government cultural delegation to India**
18. **Signing of India-China Cultural Exchange Programme for 2006-2008.**
19. **Reciprocal hosting of film festivals in each other's country and encouraging joint production of films.**
20. Visit of Indian Classical Dance Troupes to China (Bharat Natyam/Kathak/Odissi).
21. Visit of Bollywood song and dance troupe to China.
22. **Academic seminar on "India-China Cultural Exchanges" to be organized by the Centre for India Studies in Peking University or the China Institute of International Studies (CIIS), Beijing.**
23. Organization of "Treasures of Ancient India: Exhibition of Indian Civilization". or
Exhibition on "Journey of Buddhism from India to China"
24. **Friendly exchange of sporting activities.**
25. **Exchange visits of youth delegations.**
26. **Release of commemorative first day covers or joint issue of stamps**
27. **Establishment of friendship cities between the relevant cities of both countries.**
28. A TV documentary series named "Along the Footprints of Xuan Zang" to be produced by China's Central TV (CCTV).
29. Participation of Liaoning Peking Opera Troupe in India's National Opera Festival

30. Shaanxi Culture Week in India.

VI. TOURISM

31. Indian tourism seminar and road shows in China
32. Indian Food Festival in China.
33. Indian photographic exhibition in China by Chinese photographer(s)
34. Launching of Chinese language website by India's Ministry of Tourism.

VII. ECONOMIC AND COMMERCIAL

35. **High-Level business seminar to be held in India and China jointly organized by FICCI/CII from the Indian side and CCPIT from the Chinese side.**
36. **Operationalisation of border trade through Nathu La by the summer of 2006.**
37. "Made in India" Show in China.
38. Indian fashion show in China.

VIII. OTHERS

39. **Eminent Persons Group (EPG) to come up with a set of fresh recommendations to promote relations based on deliberations in previous EPG meetings**
40. Commemorative receptions to be respectively hosted by the two Ambassadors in each other's country.

206. Media Briefing by Foreign Secretary Shyam Saran during his Second Round of Strategic Dialogue with the Chinese Vice Minister Wu Dawei.

Beijing, January 10, 2006.

Foreign Secretary : Let me give you a sense of what we have covered so far. As you know we had agreed to have an annual strategic dialogue between India and China. The first meeting was held in January last year between Vice Foreign Minister Wu Dawei and myself and that was the first inaugural session in a sense.

This particular meeting's importance is heightened by the fact that it is the first dialogue after India and China agreed to establish a 'Strategic and Cooperative Partnership' during the visit of the Chinese Premier Wen Jiabao to India in April last year. We have so far had three sessions of very intensive discussions of altogether seven hours and we are meeting again this afternoon for another hour-hour and a half.

I also called on Foreign Minister Li Zhaoxing yesterday and Executive Vice Foreign Minister and Special Representative on the India-China boundary issue, Mr. Dai Bingguo. Before I leave for Shanghai this evening, I would be meeting State Councillor Tang Jiaxuan. I will be, over lunch, arranged by the Ambassador, meeting leading personalities from the National People's Congress, think tanks in Beijing and also the foreign policy establishment.

In Shanghai, I would be giving a talk on some aspects of India's foreign policy at the Shanghai Institute for International Studies. And of course there would be an opportunity to interact with the local leadership. I would also be meeting one of the Vice Mayors of Shanghai.

Now on the dialogue with Vice Minister Wu Dawei - the agenda included bilateral, regional and international issues as well as some important security issues. One important theme of our meeting this time was the 'Strategic and Cooperative' relationship that we have established - What would be the content of this strategic partnership? How would we look at India and China working together in terms of the evolving regional situation in Asia as well as the global situation? In this context, we both expressed satisfaction at the positive trends we have witnessed in India-China relations in the recent past and we discussed how we could maintain and in fact accelerate the momentum of our relationship and also add

more substance to the relationship. We also exchanged views on how to address outstanding issues, including the boundary question in a proactive manner. The Special Representatives would be meeting during the first quarter of the current year in India.

It was agreed that the India-China Friendship Year which we are celebrating this year, would be marked by a host of activities that we have agreed upon. This would not only be a celebration of our close relations and friendship but would also be a means to add even more substance to our relations. You must have had a chance to see the exchange of messages that took place between the leaders of the two countries at the beginning of the year. The Chinese Ambassador in Delhi held a function to kick off, in a sense, the Friendship Year in India which I attended myself.

When I met Vice Foreign Minister Dai Bingguo, I extended a friendly and warm invitation to him from his counterpart Mr. Narayanan, our National Security Advisor. On regional and international issues broadly speaking there is a certain convergence of views between India and China. There is a similar assessment of the international situation. For example we both took the view that the current international situation is marked by an absence of conflict or serious tensions among the major powers, and the general trend is towards greater multi polarity in the world. The trend is towards a peaceful environment in the world. and this creates opportunities for both India and China to focus their attention on their own developmental goals. Of course, there are various regional conflicts which do create some concerns and we know that these must be addressed in an effective manner.

We also talked about some new elements in the international situation, for example the trend towards globalization, the fact that there are a number of challenges which we are facing which are cross-cutting in nature and these are what I will call - transnational in nature. We talked about the phenomenon of terrorism, the problem of drug trafficking and environmental degradation. All these are issues on which it is impossible for any one country no matter how powerful it is, to deal with these challenges singly, and therefore the importance of fashioning a global response to these global challenges. We discussed how India and China as the two largest developing countries can work together towards fashioning these global responses.

We also talked about our cooperation and coordination in various regional and international fora. This of course includes the UN itself. As

you know there is a very comprehensive reform of UN which is currently being discussed and negotiated and in that there was a willingness on the part of China to work together with India in ensuring, number one, that the principle of multilateralism is strengthened, secondly, the interest of the developing countries is safeguarded and thirdly that development returns as a central item on the agenda of UN. As you would be aware, we have also been talking about the reform of the UNSC. We had some discussion about that as well. In that respect, we were very happy that it was a reaffirmation of the support that was extended to India in this regard by Premier Wen Jiabao when he visited India in April last year. The Chinese side conveyed to us that there was no change in that position. We welcomed China's association with SAARC as an observer and China welcomed our association as observer at the SCO. We both agreed that this development also created new opportunities for the two countries to work together.

There was some discussion on the East Asia Summit where again there was a similarity of views that Asia is emerging as one of the most dynamic economic areas in the world. In fact, it would be fair to say that there is an overall long-term trend for the centre of gravity of economic development to move more and more towards Asia. Both India and China would be major contributors to this trend as well as, in a sense, beneficiaries of this trend. We agreed that the East Asia summit offers a very good forum where the two countries would be able to work together to contribute to peace and stability of this region as well as to its further economic development. It was also agreed that we should be working together towards what PM Manmohan Singh has called the possibility of creating an East Asia Community. An East Asia Community of which one feature would also be a kind of a pan-Asian Free Trade Area.

There was also discussion about trilateral cooperation among India, China and Russia. Here we agreed that there are a number of areas where the three countries could work together like in the energy, trade and economic sectors. We also discussed the possibilities of cooperating more closely on some of the global challenges that I mentioned earlier.

We have found this dialogue a very valuable forum for a friendly exchange of views in terms of the global perspective of our relationship. It has certainly confirmed that there is a strong consensus on both sides for taking this relationship forward. The basic thrust of our approach is on managing the emergence of both India and China in a more cooperative framework. There is agreement to work more closely together on regional

cooperation and on integration in Asia. We also spoke about how India and China's economic development itself can be a kind of an engine of growth for the entire Asian continent.

In the meeting that I had with Vice Foreign Minister Dai Bingguo, we touched upon the boundary question. We are looking now at working together in the next round to try and evolve a framework for the boundary settlement. Both sides are committed to seek an early settlement on the basis of the 'Political Parameters and Guiding Principles' which were adopted during Premier Wen Jiabao's visit. It was reaffirmed in our meeting that what we are seeking is a political settlement adopting a package approach and proceeding from a long term and strategic perspective of our overall relations. I also pointed out to the fact that India and China have now established a strategic partnership- this particular aspect should be also brought to bear in terms of our search for a solution to the boundary issue.

Much of my meeting with Foreign Minister Li Zhaoxing was particularly focused on the UN reforms. We discussed a number of aspects of reforms including of course the UNSC reforms. The Chinese FM reaffirmed that one of the important aspects of China's approach is to give greater representation to the developing countries in the UNSC. There was also a discussion on the best way to take this reform process forward. I briefed him about the recent developments which have taken place including the tabling of the G-4 resolution in the UNGA on January 5, 2006 and our continuing effort to try and find common ground between the African Union and the G-4, so that we can come up with a joint initiative between the two sides. We believe that this is achievable and after which the way would be clear for the next stage- the actual election of the new permanent members of the UNSC. We also discussed the calendar of high level visits which as you know have played an important role in maintaining the momentum in our relationship. We are looking forward to the visit of President Hu Jintao to India and the Chinese side has also invited our PM to visit China.

Q. Did you brief the Chinese side on the India-US nuclear agreement and were there any discussions on this subject? (Press Trust of India)

FS - We briefed each other about our respective relations with major powers and that included of course our respective relations with the US. On my side, I did brief them about energy cooperation between India and US which includes civilian nuclear energy cooperation.

Q. Keeping in mind that there were some press reports that the Chinese were unhappy about this agreement, was there any response from the Chinese side? (*Indian Express*)

FS - There was no such unhappiness expressed to me.

Q. Did you bring up reports about China sending nuclear reactors to Pakistan? (*Indian Express*)

FS - This did not come up in the discussion. As far as I know this has not been confirmed.

Q. Did China have to say anything about lifting of sanctions on India by the Nuclear Suppliers Group (NSG)? (*Indian Express*)

FS - No, this matter was not discussed in that kind of detail. But of course, with regard to the NSG I did point out that one aspect of the discussion with the US was the modification of the domestic law in the US with regard to civilian nuclear cooperation with India and the second was the modification in the guidelines of the NSG which would enable full civilian nuclear cooperation with India. In this respect, as China is a member of the NSG we have asked cooperation from China.

Q. Any specific cooperation from China in this regard? (*Times of India*)

FS – This matter will come up before the NSG and naturally the members of the NSG will have there say, but this is, of course, a matter on which the lead will have to be taken by the US.

Q. There are reports that China and Pakistan are opening consulates in Nepal near the Indian border. Was this discussed? (PTI)

FS - No, we did not discuss these specific issues but we did discuss Nepal. I presented our assessment on the recent developments in that country and pointed out that given the open border between India and Nepal and the very unique relations which exists between our two countries there is, naturally, a great concern in India over the continuing political turmoil and economic dislocation in that country. China for its part also shared this concern. China also reiterated their long standing policy that China does not believe that there should be any interference in the internal affairs of any country and that is the principle on which their policy towards Nepal is based.

Q. Any discussion on China-Pakistan relationship in terms of arm-sales and other issues? (*Times of India*)

FS – No.

Q. On UNSC reforms, according to China what is the best way forward given the fact that they support India but have a problem with Japan and since we are part of the G-4 ... and the fact that when the G-4 resolution was re-tabled Japan did not actually participate. Did this make any difference to China's position? (*Indian Express*)

FS - As mentioned, I briefed them about the tabling of the G-4 resolution and the fact that Japan has chosen not to join us in the tabling the G-4 resolution but has nevertheless expressed its continuing solidarity with the G-4. We believe that Japan is engaged in certain consultations and perhaps it would come back with its own position on this some what later. We of course attach a lot of importance to maintain G-4 solidarity and we trust that Japan will also join us in taking this resolution forward. Our idea is to engage in wide ranging consultations with different groups of countries, in particular the countries belonging to the African Union, so that a broad consensus can be fashioned in terms of the procedure to open the door for the actual election of the new permanent members of the UNSC. I also pointed out to our Chinese interlocutors that the G-4 draft resolution is not about this or that country becoming a permanent member of the UNSC, because even after the frame work resolution is adopted we would still individually have to go to the UNGA and obtain the necessary votes for our candidature. The importance of the G-4 resolution is precisely what it says- a framework resolution which sets out the procedure through which this reform of the Security Council should take place, so a distinction needs to be drawn between the two. We will remain in close consultation with all our important partners, which of course includes China.

Q. Was there any discussion on the Iranian and North Korean Nuclear issue? (PTI)

FS - The Chinese Vice Foreign Minister did brief me about the status of the Six-Party Talks and mentioned the efforts being made by China to ensure a successful convening of the next round. China, as you know played an important role in bringing the six-parties together. No date appears to have been fixed for the next round. We were given to understand that consultations are taking place with the parties concerned to try and convene this at an early date. As far as the Iran nuclear issue is concerned,

we did have an exchange of views concerning this matter. In general both countries agreed that what ever issues have arisen should be solved through a process of dialogue. Both countries have supported the resumption of dialogue between the EU-3 and Iran. Our general message has been that there should be a display of flexibility all around so that any kind of confrontation is avoided.

Q. You spoke about cooperation with China on the lifting of sanctions by the NSG. Did they respond to this, did they express support? (*Indian Express*)

FS - So far we have really not had a response because I was just briefing them on this.

Q. On the border issue, when you talk about a political solution is there a review of the manner in which the talks have gone on so far and would you want to look at it in the light of the changing situations? (*Times of India*)

FS - It was a very important development when the two countries concluded the 'political parameters and the guiding principles' for the settlement of the boundary issue and if you look at those principles they are in a sense practical principles to seek a settlement on the boundary issue. The idea is to go beyond claims and counter-claims between the two sides. Both sides have been saying that India China relations today have a certain strategic dimension, that there is a certain importance that India China relations have acquired in terms of the emerging global situation. Therefore, it is this perspective which should also then inform, in a sense, our discussions on the boundary issue. So what we are looking at is that having agreed upon a certain sets of principles which have a practical utility, how do we apply those to the actual ground situation taking into account the overall situation? What ever settlement we are able to find will be within the parameters of those guiding principles.

Q. What about the baggage of history? Are we trying to give less importance to that and are looking forward more? (*Times of India*)

FS - It is not a question of giving less or more importance, it is a certain broadening of our perspective in which we approach this question. In real terms what does this mean? It means that it would give a certain degree of greater flexibility to both sides in terms of dealing with this question because you are dealing with this question not merely on issues involved

as far as the boundary issue is concerned but you are also looking at it from a broader perspective of the relations between the two countries. Relations between the two countries which are categorized as a strategic partnership, relations which both recognise as having a certain global dimension, a certain global impact. Naturally if the boundary question is resolved this would have a very important impact in terms of that global perspective. So we are really interested in that strategic partnership and that global perspective that would in a sense contribute to finding a mutually acceptable solution.

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207. Address by Foreign Secretary Shyam Saran at the Shanghai Institute of International Studies: 'Present Dimensions of the Indian Foreign Policy' .

Shanghai, January 11, 2006.

Please see Document No. 001

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208. Press Release of the Ministry of External Affairs on the 7th round of discussions between the Special Representatives of India and China on the boundary question.

Kumarakom (Kerala), March 13, 2006.

Special Representatives of India and China on the boundary question, Shri M.K.Narayanan, National Security Advisor and Mr. Dai Bingguo, Executive Vice Foreign Minister held their 7th round of discussions in New Delhi and Kumarakom from March 11-13, 2006. The two Special Representatives continued their discussions for an agreed framework for the resolution of the boundary question in a constructive and friendly atmosphere. Vice Foreign Minister Dai Bingguo called on the Prime Minister on March 11, 2006. The next meeting of the Special Representatives will take place in China on mutually convenient dates.

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209. Press Release issued by the Ministry of Commerce on trade between India and China.

New Delhi, March 16, 2006.

India and China are poised to achieve US \$ 20 billion bilateral trade turnover by the year 2007, a year ahead of the target set earlier, Shri Kamal Nath, Union Minister of Commerce & Industry, indicated in his keynote address at the India-China Joint Business Forum here today where Mr. Bo Xilai, Minister of Commerce of the People's Republic of China, was the Guest of Honour, along with a large business delegation from China. The two Ministers earlier co-chaired the 7th Meeting of the India-China Joint Economic Group (JEG), which took place after a gap of six years. "That it coincides with the celebration of India-China Friendship Year is of additional significance. I also note that this is the first JEG meeting after China's accession to the World Trade Organisation (WTO)", Shri Kamal Nath observed. Both Mr. Xilai and Shri Kamal Nath emphasised that trade and economic cooperation held the key to strengthening the overall bilateral relationship.

“I reiterate India’s deep desire and strong commitment to continue developing a multi-faceted, mutually beneficial trading and economic relationship with China”, Shri Kamal Nath said. Mr. Xilai in turn during his bilateral with Shri Kamal Nath recalled the traditional ties between India and China dating back many centuries when the two countries together accounted for more than 20% of the world’s total trade and called for “recapturing the old glory”.

During the year 2000-01, the bilateral trade volume was barely US \$ 2 billion. This increased to US \$ 11.3 billion in 2004-05. “This year our bilateral trade will be in excess of US \$ 15 billion”, Shri Kamal Nath said, reflecting rapidly expanding bilateral economic relationship. At the same time, he stressed the point both at the JEG Meeting as well as the Joint Business Forum that the trade basket continued to be narrow and restricted to a limited range of goods. “For instance, Indian exports are dominated by raw materials and products of natural resource based industries. If our trade is to expand exponentially it is imperative for both partners to diversify the trade basket. Between us we produce practically everything – and produce it cheaply, and with good quality. We both have export growth rates that are 25 to 30%. While our engagement with the rest of the world is galloping, we must make doubly sure that it gallops with each other”, he said.

The JEG discussions focussed on implementation of the recommendations of the Report of the Joint Study Group (JSG) which was constituted in June 2003 by Prime Minister Dr. Manmohan Singh and Premier Wen Jiabao to examine the potential complementarities between the two countries. The agenda included review of bilateral trade since 2000 and issues of bilateral trade and economic cooperation relating to market access for agricultural, industrial goods and services; non-tariff barriers; restrictive regulatory regimes etc. besides discussing the deliberations of the Joint Task Force on India-China Regional Trading Arrangement and talks on a Bilateral Investment Protection Agreement.

Shri Kamal Nath also underlined the need to decide on an early operationalisation of the border trade across the Nathu La pass.

India-China Bilateral Trade: Backgrounder

During the visit of Premier of the State Council of the People’s Republic of China to Republic of India in April 2005, the two countries agreed to make joint efforts to increase the bilateral trade volume to US \$ 20 billion or higher by 2008.

- | Since 1997-98, Indo-China trade has registered a growth of 260% i.e., average yearly growth of around 33%.
- | The volume of trade with China during the last 5 years i.e., from 2000-01 to 2004-05 has increased by 224%, registering an annual average growth of around 44%.
- | Since 2000-01, the highest trade growth of about 62% was registered in 2004-05.
- | During 2004-05, India's balance of trade deficit with China has almost doubled as compared to 2003-04 and amounted to US \$ 2.2 billion.
- | India-China border trade opened in Uttaranchal on July 15, 1993; second border trade point opened in Himachal Pradesh in 1994 and memorandum for third border trade in Sikkim in Beijing in June 2003. During 2004, the border trade amounted to Rs.1846 lakhs.

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210. Memorandum of Understanding between the Ministry of Defence of the Republic of India and the Ministry of National Defence of the People's Republic of China for Exchanges and Cooperation in the field of Defence.

Beijing, May 28, 2006.

Pursuant to the Declaration on Principles for Relations and Comprehensive Cooperation between India and China signed in June 2003 and the *Joint Statement* signed in April 2005 by the Prime Minister of the Republic of India and the Premier of the State Council of the People's Republic of China, **the Ministry of Defence of the Republic of India and the Ministry of National Defence of the People's Republic of China** (hereinafter referred to as "the two sides") are committed, in accordance with the relevant purposes and principles of the Charter of the United Nations, to developing the strategic and cooperative partnership for peace and prosperity between India and China. Such a partnership is based on the principles of the Five Principles of Peaceful Co-existence, mutual respect and sensitivity for each other's concerns and aspirations and equality.

The two sides note the utility of confidence building measures between them, including their armed forces.

The two sides reiterate that strengthening effective contacts in the field of defence is of vital importance to enhancing mutual trust and understanding between their two armed forces, ensuring a peaceful environment in which they can pursue their respective national development objectives, and maintaining peace and stability in the region and the world at large. In order to broaden and deepen defence exchanges between the two countries, the two sides have, through friendly consultations, reached the following understanding:

ARTICLE 1

- (a) Maintain frequent exchanges between the leaders and high-level functionaries of the Defence Ministries and the armed forces of India and China. An annual programme of exchange of visits will be worked out through consultations for timely implementations;
- (b) Convene an Annual Defence Dialogue at a mutually agreed level, to be hosted alternately by the two sides. The dialogue will review progress in defence exchanges and make suggestions for future exchanges. It will also exchange views on international, security and strategic issues;
- (c) Endeavour to hold joint military exercises and/or training programmes in the fields of search and rescue, anti-piracy, counter-terrorism and other areas of mutual interest. Each side will invite senior military officers of the other side to witness designated military exercises;
- (d) Establish a mechanism of study tours for each other's senior and middle level military officers and relevant civilian officials, in order to facilitate better understanding of foreign, defence and national development policies of the host side, and participation in seminars and discussions on themes to be agreed upon. Specific arrangements will be decided through consultations;
- (e) Establish a mechanism for military officers to study in the military academies of the other side to be identified by the host side. Carry out exchanges between counterpart military academies. The number of officers and academies involved in the above-mentioned exchanges can be increased if necessary; and
- (f) Have exchanges in other mutually agreed fields to be decided through consultations.

ARTICLE 2

For the high level delegations as undertaken under clause (a) of Article 1 and other delegations designated by the two sides, on the basis of balance and reciprocity, the host will bear the local expenses for boarding, lodging and transportation. Other delegations will be self-financed. The delegations may comprise both military and civilian officials. The host will facilitate the visits and assist with visa and other travel arrangements, as necessary.

ARTICLE 3

This Memorandum of Understanding shall come into effect on signature by the two sides. It shall remain in force for five years unless terminated in advance by either side giving written notice for termination at least three months in advance. At the end of the five-year period, the Memorandum of Understanding shall be automatically extended by another five-years, unless either side gives written notice for its non-extension at least three months before the expiry date.

Done at Beijing on May 29, 2006 in two originals, each in the Hindi, Chinese and English languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

Sd/-

Sd/-

**Defence Minister of the
Republic of India**

**Defence Minister
of the People's Republic of China**

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211. Press Conference of Defence Minister Pranab Mukherjee after his return from the tour of China and Japan.

New Delhi, June 13, 2006.

Speaking at a press conference in New Delhi on June 13 after his visit to China and Japan, Defence Minister Pranab Mukherjee said the possibility of an armed conflict with China had receded thanks to several Confidence building Measures (CBMs) being implemented by both the countries to improve defence relations and eliminate tension on the border.

The latest CBM agreed to by both the parties during his recent visit to China was an institutional arrangement to deepen defence cooperation. Asked whether India sought ties with China despite its being a source of arms supply to Pakistan, he said India was aware of this aspect but it also recognized 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 is that both sides want a tension free border. Therefore the CBMs will enable both countries to utilize their energy for the overall development of the people. If that fact is recognized, then I don't think there or we are trying to outmanoeuvre each other. Over the year both countries have realized 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 the Rajiv Gandhi's Beijing visit and this was followed up with three CBMs. China has also settled the very old issue of recognizing 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 recognized the fact that nobody is thinking in terms of an armed conflict."

Asked if India and China could jostle for supremacy in future, Mr. Mukherjee said 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."

The Minister described the visit to China and Japan as fruitful. "It is not that we were able to resolve all the 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. India did not have deep defence cooperation with Japan but both countries moved closer after Tokyo recognized the need for building defenceties¹. A Joint Statement issued during his visit outlined the mechanism of strengthening defence cooperation and institutional arrangements, which will review this relationship. Asked 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 UN." India's basic stand was that the collective action of nations should get reflected in the UN Charter.

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1. Greater insight into defence relations with Japan was provided by Mr. Mukherjee in his telephonic interview on May 27 to the Southeast Asia correspondent of the *Hindu* in Singapore. Mr. Mukherjee told him India's new military-related cooperation with Japan was "independent" of New Delhi's "good relations" with the United States at this stage. He said the two aspects of India's defence diplomacy were "not necessarily linked". Japan is a close ally of US and the Indian Navy had joined the navies of these two as well as Australia's to form a professional "core group" to meet the tsunami crisis along the Indian Ocean rim in December 2004. Asked whether the four were now thinking enhancing their linkages, he said there was "no military" plan of that kind. Asked about the importance of new India-Japan Joint Statement on defence cooperation, he cited maritime security along the Indian Ocean and Straits of Malacca as one of the primary objectives. Further asked if there was a plan to undertake naval patrolling of the Straits, he said there was "no such thing" other than "whatever we do in our normal course". As for the current timing of the new consensus with Japan, he noted that the joint statement was signed at an "appropriate time" as a follow up to the political understanding reached during the Japanese Prime Minister's visit to India in April 2005.

212. Press Release of the Embassy of India in Beijing on the Eighth Round of talks between Special Representatives of India and China.

Xi'an and Beijing, June 27, 2006.

1. The Eighth Round of talks between the Special Representatives of India and China, Mr. M.K. Narayanan, National Security Adviser and Mr. Dai Bingguo, Vice Foreign Minister respectively, on the India-China Boundary Question was held in Xi'an and Beijing from June 25 to June 27, 2006. The Special Representatives continued their discussions on an agreed framework for a boundary settlement on the basis of the Agreement on Political Parameters and Guiding Principles for Settlement of India-China Boundary Question. Talks were held in a friendly, cooperative and constructive atmosphere.
2. The National Security Adviser and the Special Representative of India had separate meetings with Premier Wen Jiabao and Foreign Minister Mr. Li Zhaoxing on June 26 and June 27 respectively.
3. Both sides agreed to hold the next round of talks between the Special Representatives in India at a mutually convenient time, which will be decided later through the diplomatic channel.

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213. Press Release of the Ministry of External Affairs on the inaugural function for the resumption of border trade between India and China held at Nathu La.

New Delhi, July 6, 2006.

An inaugural function was held at Nathu La this morning on the occasion of resumption of border trade between India and China through the pass. The function was presided over by Dr. Pawan Chamling, Chief Minister of Sikkim and H.E. Mr. Champa Phuntsok, Chairman of the Tibet Autonomous Region. It may be recalled that India and China had signed the Memorandum on Expanding Border Trade on June 23, 2003. The said Memorandum provided the use of Nathu La for the purpose of border trade between India and China.

This is the third border trade point between the two countries, the other two being Lipulekh pass in Uttaranchal and Shipki La in Himachal Pradesh. Modalities¹ for conducting border trade between India and China are laid out in the Memorandum on the Resumption of Border Trade signed between the two countries in December 1991 and the Protocol on Entry and Exit Procedures for Border Trade signed in July 1992. All provisions of these two documents would be applicable for border trade through Nathu La. Other details were worked out between the two countries last month when an Indian delegation visited the Tibet Autonomous Region from June 17-20, 2006. The following aspects of border trade through Nathu La may be of interest:

- i. Border Trade through Nathu La resumed on July 6, 2006 at the Changgu border trade mart at Sherathang on the Indian side and Renqinggang trade mart on the Tibetan side.
- ii. The border trade mart shall be open from June 1-September 30 every year. It will be open to the designated authorities of the two sides to extend or reduce the period of trade when considered necessary on account of exigencies like weather conditions.

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1. On August 23 Minister of State for Commerce and Industry giving details of the trade via the Nathu La pass said: "The import and export of the following locally produced commodities by the people living along both sides of the India-China border as per the prevailing customary practice are allowed freely :-

Imports 1. Goat skins, 2. Sheep skins, 3. Horses, 4. Sheep, 5. Goats, 6. Wool, 7. Silk, 8. Yak Tails, 9. Yak Hair, 10. China Clay, 11. Borax, 12. Szaibelyita, 13. Butter, 14. Goat cashmere (Pasham), 15. salt. The above items are exempted from duty when imported in India from China through border trade vide notification No. 158/94-Custom dt.29th July, 1994.

Exports 1. Agriculture implements, 2. Blankets, 3. Copper Products, 4. Clothes, 5. Textiles, 6. Cycles, 7. Coffee, 8. Tea, 9. Barley, 10. Rice, 11. Flour, 12. Dry Fruit, 13. Dry and fresh vegetables, 14. Vegetable Oil, 15. Gur and Misri, 16. Tobacco, 17. Snuff, 18. Cigarettes, 19. Canned Food, 20. Agro-Chemical, 21. Local Herbs, 22. Dyes, 23. Spices, 24. Watches, 25. Shoes, 26. Kerosene Oil, 27. Stationery, 28. Utensils, 29. Wheat (Ua & Buck).

The border trade through Nathu la includes overland trade and the exchange of commodities by the residents along the border between the Tibet Autonomous Region of China and the state of Sikkim of India. The people of Sikkim living along the border would be able to export to China 29 items mentioned above and they would be able to import from China 15 items exempted from duty." On November 23 the Rajya Sabha was informed that the "border trade through Nathu La which was conducted between July 6 and September 30, 2006 yielded a trade turnover of Rs. 12 lakhs,"

- iii. The border trade marts on both sides will be open from Monday to Thursday every week; the daily opening time for the marts for border trade shall be from 0730-1530 hours Indian Standard Time.
- iv. The traders from both sides would use trade passes for the purpose of border trade. Trade passes would also be issued to drivers of vehicles, which are utilized for the purpose of border trade. To start with, 60 four-wheeled vehicles including passenger buses, if any, would be issued border trade pass. This number could be increased or decreased based on mutual agreement.
- v. Border trade would be transacted for items contained in the agreed list of commodities for border trade between the two countries, which presently includes 29 items for exports from India to China and 15 items of import into India from China.

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214. Response of Official Spokesperson to a query on India's economic engagement with China¹.

New Delhi, September 5, 2006.

In response to a query, the Spokesperson said that India has been pursuing a policy of closer economic engagement with China. The trade with China has shown a rapid increase, and the number of Chinese companies operating in India and Indian Companies operating in China has grown significantly. While we welcome foreign investments and companies in India, this has to be in accordance with our relevant domestic laws and regulations, and taking into consideration, inter alia, our security concerns and assessments. As part of this policy, we also welcome investments from China and we are confident that the India-China economic engagement will continue to expand and grow in the future.

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1. The query arose out of media reports that Government of India was as a matter of policy trying to bloc Chinese companies from sensitive infrastructural projects like ports etc.

215. Press Release of the Ministry of Defence on the meeting of Defence Minister Pranab Mukherjee with the Chinese Foreign Minister Li Zhaoxing in New York during the UNGA session.

New York, September 24, 2006.

Defence Minister, Shri Pranab Mukherjee met the Foreign Minister Li Zhaoxing of the Peoples' Republic of China at New York yesterday. During the meeting, both leaders agreed that the pace at which bilateral relations were developing was very encouraging, and that the two sides should maintain efforts to ensure that this important relationship continues to develop. They said that frequent high-level contact was playing a significant role in adding momentum to the development of the bilateral relationship. In this context, they recalled the very successful visit of Chinese Premier Wen Jiabao to India in April 2005, and agreed to make efforts to ensure that the planned visit of President Hu Jintao to India would be a milestone in the bilateral relationship.

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216. Reaction of Official Spokesperson to media report on China's intention to divert the Brahmaputra waters.

New Delhi, October 23, 2006.

We have understandings with the Chinese side under which they provide hydrological information in respect of Brahmaputra and Sutlej rivers during the flood season for flood control and disaster mitigation in downstream areas. We are also discussing with the Chinese side the expansion of this cooperation¹.

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1. Official Spokesperson of the Chinese Ministry of Foreign Affairs in the meantime told a media briefing in Beijing that China had no such plan to divert the waters of Brahmaputra.

217. Reaction of External Affairs Minister Pranab Mukherjee to the reported statement of Chinese Ambassador claiming Arunachal Pradesh as Chinese territory.

New Delhi, November 14, 2006.

Reacting to the reported statement¹ of the Chinese Ambassador Sun Yuxi made on November 13 that Arunachal Pradesh was a Chinese territory, External Affairs Minister Pranab Mukherjee when asked for his comments said Arunachal Pradesh is an “integral and inalienable part of India”.

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1. On November 14 a Spokesperson of the Chinese Ministry of Foreign Affairs in Beijing sought to take an ambivalent position on the issue saying “I have not seen such a report. I will double check.” However, she added that it was the “strategic goal” of the two countries to find an early, fair and rational solution to the vexed boundary issue. The same day, the Chinese Ambassador in Delhi in a more conciliatory mood said that the two countries must make “mutual compromises” on the “disputed” issue of Arunachal Pradesh and that China was ready to do so. The two countries, through “friendly consultations can arrive at a “mutually-acceptable and mutually satisfactory” solution to the issue “left over from history”., he said in an interview to the Press Trust of India. “He insisted that “We must make mutual compromises. We are ready to make compromises on that”.
- It is relevant to recall in this connection the visit of Pranab Mukherjee to China in May 2006 when he had an occasion to discuss India-China boundary with the Chinese Premier Wen Jiabao. After the meeting Mukherjee told the media that the progress of border negotiations was extensively discussed during his talks with the Premier. At that meeting Premier Wen had said that a broad agreement had already been reached on the political parameters and guiding principles for the talks on the border dispute. The Defence Minister had suggested that “strong political will should be applied to the problem with the aim of solving it as soon as possible. On the eve of the arrival in New Delhi of the Chinese President for his state visit, the Chinese Spokesperson in Beijing struck a conciliatory tone and said: “Our position on the boundary question is clear and consistent. Our position is to find a fair, reasonable and mutually acceptable solution through friendly consultations.” “Through the visit of President Hu Jintao, China hope to enhance the political mutual trust and lay the foundation for a strategic partnership,” Ms. Jiang spokesperson said. “We hope to promote comprehensive mutually beneficially cooperation and add more content to the bilateral strategic cooperative partnership,” she said.

218. Press Briefing by Foreign Secretary Shivshankar Menon on the visit of the Chinese President Hu Jintao.

New Delhi, November 21, 2006.

FOREIGN SECRETARY (SHRI SHIVSHANKAR MENON): What I thought I would do, ladies and gentlemen, was just to run over what the President of China did today and try to give you a feel for the quality of the conversations that took place today.

As you know, he arrived yesterday evening, was received at the airport by External Affairs Minister, and Minister for Science and Technology and Earth Resources. Today morning he had a ceremonial welcome at Rashtrapati Bhavan, and then visited Rajghat to pay his respects at the Samadhi of Gandhiji.

The External Affairs Minister called on him in the morning. He then came to Hyderabad House where there was a restricted meeting between the Prime Minister and President Hu Jintao for about forty minutes with a small group. This was followed by delegation-level talks. The exchange of views between the Prime Minister and President Hu Jintao continued over lunch.

The atmosphere throughout was friendly, cordial, and there is a good rapport between the two. This is the fifth time that they are meeting in the last year and a half or so. They used this opportunity, in all these conversations, to review developments in bilateral relations in a comprehensive way. They exchanged views on regional and multilateral issues.

To characterize the discussions, I think they were positive, they were open, and they were constructive. You already have the text of the remarks that Prime Minister and President Hu made at the signing ceremony and the press interaction after that. This afternoon the Vice-President, the Speaker of the Lok Sabha, and Chairman of the UPA will be calling on the Chinese President. Rashtrapati and President Hu Jintao will attend the India-China Friendship Year commemorative function this evening in Rashtrapati Bhavan where they will also meet the youth delegations of India and China consisting of 100 youths from each country.

Thereafter, President Hu will call on Rashtrapati who will also host a banquet in his honour in Rashtrapati Bhavan this evening. Tomorrow

morning the Leader of the Opposition in the Lok Sabha will be calling on him and so will some of the political parties – the CPI(M), CPI. He will deliver an address in Vigyan Bhavan at a function hosted by the Indian Council of World Affairs before leaving for Agra and then for Mumbai.

In terms of outcome, we are very satisfied with the way the visit has worked out, with the quality of the conversations, and with the specific outcomes. As you know, we have a Strategic and Cooperative Partnership for peace and development with China which was announced last year during Premier Wen Jiabao's visit to India.

The desired attempt through these conversations is to bring the relationship to a new level, to add that to the strategic partnership, and to see how we can take this relationship forward. In all these respects, we are very satisfied with what has been achieved today so far.

This, as you know, is the first visit by a Chinese President to India in ten years. The last visit was in 1996 by President Jiang Zemin, and it comes at a time when our relationship is already a mature relationship.

In terms of major outcomes, you have the Joint Declaration with you already and you have a synopsis of the thirteen agreements which were signed. You will notice that the Joint Declaration contains the ten-point strategy for the development of this strategic and cooperative partnership between the two countries and provides a template for its all-round development.

To give you the highlights, the leaders of India and China have agreed to hold regular summit-level meetings and to intensify high-level exchanges. We have also strengthened the institutional linkages and inter-ministerial dialogue mechanisms. The protocol on cooperation between the foreign offices, for instance, institutionalizes this dialogue and the consultation mechanisms between them. It also provides for a hotline between the Foreign Ministers of the two countries. Additional Consulates General will be opened in Kolkata and in Guangzhou. We are also very happy that the long-pending issue of the property of the Indian Consulate in China has been settled finally.

As you would have noticed from the document, there is a comprehensive economic and commercial engagement between India and China. Trade, as you know, has grown considerably in the last two years and is likely to cross twenty billion dollars this year.

The two leaders set a target of forty billion dollars of direct bilateral trade by 2010. In their presence the Bilateral Investment Protection and Promotion agreement was signed which is one important component of the relationship. In addition, the Joint Task Force which is presently discussing regional trading arrangements was asked to complete its work by October 2007 and it will give us its report on the kind of trading arrangements that will be viable and feasible, and which will help both economies.

In addition there was an agreement between the leaders on enhancing the trans-border connectivity. As you know, we opened Nathu La to border trade for the first time this year and we are going to be exploring additional routes both for the Kailash Manasarovar Yatra and for border trade. There is agreement on a car rally between Kunming and Kolkata.

We are also working on arrangements for trans-border movement of motor vehicles which we hope will help trade and passenger traffic for which we have already made some temporary arrangements at Nathu La this year.

In this field of cooperative endeavour we have also agreed to set up an expert-level dialogue mechanism to discuss interaction in cooperation on issues regarding trans-border rivers. This is an issue of considerable significance for both of us. It is an issue which impacts on development, and the development of our economies and societies in both countries.

We are already receiving very valuable hydrological data from China in respect of two rivers – the Brahmaputra and the Sutlej and we have agreed to finalise at an early date similar arrangements for the Parlung Zangpo and the Lohit. It has also been decided to establish an India-China partnership in science and technology and four sectors have been identified for this, to start with, which will focus on nanotechnology including advanced materials, biotechnology, earthquake engineering, climate change, and weather forecasting.

We have also, and you would have seen this in the Joint Declaration, agreed to step up cooperation in the field of civilian nuclear energy both bilaterally and through multilateral projects like ITER. I draw your attention to paragraph 27 of the Joint Declaration.

We have also agreed that the international civilian nuclear cooperation should be advanced through innovative and forward-looking

approaches. The other dimension that the two leaders looked at was increasing people-to-people exchanges and especially youth exchanges. The Government of China has invited 5000 youths from India over the next five years. We see this aspect of our relationship as really an investment in the future.

There are several other events at the people-to-people level including the organisation of Festival of India in China and a Festival of China in India. The year 2007 will be celebrated as "India-China Friendship Through Tourism" Year. You would have seen what has been done to make visas easier. We hope to do more work on that. We are also cooperating on making Nalanda a major centre of learning. We think these are important because these provide a solid base for the functional exchanges, for the other cooperation.

The two leaders also had a very useful exchange of views on the boundary question. They expressed appreciation for the progress and the effort and the work that these special representatives have put in, particularly for the achievement of signing the Agreement on Political Parameters and Guiding Principles for Boundary Settlement last year, and they asked them to hasten their work and to see that we can arrive at a boundary settlement. Earlier, they set this as a strategic goal for the relationship.

The most interesting part for me at least in these discussions was the very strong affirmation that India-China relations are no longer just a bilateral relationship but now have both a regional and global significance. This is something that you would have heard, President Hu also mentioned in the interaction.

Both sides are determined to ensure that India and China as good neighbours work together in their bilateral pursuits, that the rise of India and the rise of China in a sense are mutually reinforcing. We see this as helping us to develop our own societies. Good relations between the two countries contribute not only to our own development and to peace and prosperity in the region but we feel also for the rest of the world.

To sum up, I think we are very satisfied with the outcome of the discussions and with the understandings and with the agreements reached. I would be very happy to take any questions that you might have. Thank you.

QUESTION: Sir, I would draw your attention to point No.39 on page 7 of Joint Declaration on civilian nuclear cooperation. Are we to understand

that it indicates that China is ready to take a positive approach towards India?

FOREIGN SECRETARY: I think we have not come to that stage yet. We have had a conversation. As you know, we have had informal conversations with members of the NSG and we have told them what we think of the issue. But I do not think we have quite come to the stage yet where the NSG has to consider or to respond. I do not think they feel called upon to and we have not even asked them to at this stage to respond to that. I think it speaks for itself where it speaks of innovative and forward-looking approaches. I think that speaks for itself. It is clear that we all agree that this cooperation needs to be encouraged. We will have to find the way to do it.

QUESTION: Do you see it as a positive signal?

FOREIGN SECRETARY: I think it is positive, yes, it is.

QUESTION: In the same paragraph on the subject of civilian nuclear cooperation, were any details discussed on how to promote this?

FOREIGN SECRETARY: To the extent that we have discussed this earlier, we have discussed it during the visit. I think what you see is an expression of where we are today. We will take this conversation forward. You will notice this is in the larger context of energy security and how important that is. This is a shared concern. In fact, both leaders spoke of energy security, food security, environment as being issues which affect both of us and are going to be major concerns where we can work together, where we see we will need to. As I said, our own development processes will be mutually reinforcing.

QUESTION: More on the civilian nuclear cooperation, are there any firm details on how that cooperation is going to take shape? Is it exchanging technology, fuel, or specifics?

FOREIGN SECRETARY: Bilaterally, we have an ongoing cooperation with China. China, if you recall, supplied fuel for Tarapur in the early 1990s under IAEA safeguards. We have an ongoing cooperation programme with China. It is not as though we are starting from scratch here and that, you will notice, is reaffirmed in para 27 of the Joint Declaration. What we are talking about in para 39 is really the broader question of energy security and, as I said, of the new arrangements that we are entering into to make it possible for India and the rest of the world to cooperate in

civilian nuclear energy. But that is not a conversation which has come to the point where they have been asked to say yes or no or we do it this way or we do it that way. Not yet. That is still an ongoing conversation for obvious reasons.

QUESTION: Can you give us some sense of the discussion between the two leaders on the boundary question? Specifically there is a reference in the Joint Declaration that the Joint Working Group should exchange maps as soon as possible. This has been a sticking point as far as the Working Group is concerned. Are we to understand that after this meeting the exchange of maps is going to happen because of the reference 'as soon as possible' in the Joint Declaration?

FOREIGN SECRETARY: I think there are two aspects to this. One is the maintenance of peace and tranquility on the border because that creates an enabling environment for us not just for discussing a boundary settlement and for making progress on it but also in the general sense I think it is an important aspect. And it is something we have done more than satisfactorily, (in fact) very successfully for several years on the border. Ever since the 1993 agreement, we have maintained peace and tranquility all along the border and both leaders expressed satisfaction at having achieved that. The second part of it is work towards a boundary settlement. As you know, we have made progress in those discussions. Last year we did the Guiding Principles and Political Parameters. It is our hope that the Special Representatives, when they meet and when they talk about it, can accelerate the progress towards that. But our basic approach to the boundary question, ever since the Rajiv Gandhi visit in December 1998, is to deal with the boundary question, try and find a solution, but in the meantime to develop the rest of the relationship. It would be a huge strategic gain if we could settle it tomorrow and both sides want to settle it soon. But it is not holding up the rest of the relationship, the comprehensive economic engagement or the other work that we are doing.

QUESTION: Did we raise the issue of UN reform specifically and India's case for permanent membership in the Security Council?

FOREIGN SECRETARY: It was raised, discussed, and I think you have a reference in para 38 to reform of the UN both in general and in terms of reform of the UN Security Council and it is a question that we will continue consulting. We were assured also in the course of our consultations with the Chinese side that China will not be an obstacle to India's membership of the Security Council. But this is a conversation that still has

to go on because, as you know, this is not something that depends on one country or another. It is something that ultimately the UN system itself has to agree on reform and when we come to that stage we will see how it works itself out in practice. But there is no change in the Chinese position compared to what you heard about it.

QUESTION: They are still non-committal?

FOREIGN SECRETARY: That is not what I would call that. I would not call that non-committal but that is your characterization.

QUESTION: Was there any discussion on the issue of terrorism in the context of South Asia?

FOREIGN SECRETARY: There was a general discussion on terrorism. I think the Chinese are as concerned as we are about the fact of terrorism and its various sources. We have talked to them about it. We are working together actually on counter-terrorism as well. It is an element in our discussions with them. It is mentioned in passing. But you must appreciate that in three and a half hours you cannot cover everything in great detail.

QUESTION: You have talked about exchanging hydrological data. But China has been talking consistently about diversion of water from the Zangbo river to the Brahmaputra. This is a concern for India. Has this issue been raised?

FOREIGN SECRETARY: I think the Chinese Official Spokesman in Beijing and the Chinese Ambassador here have denied it. They have said they have no plans on it. But the fact is we now have a forum where we can discuss water issues whatever they are. Whether it is a question of diversion, whether it is a question of use, whether it is hydrological data, all these issues can be discussed in this forum. So we now have a forum to discuss it in. But the fact is that they have denied these reports that they plan to divert the water to Brahmaputra.

QUESTION: Can you tell us a little bit more about the trans-border activities. And also, would you say that trade would subsume the differences that we have?

FOREIGN SECRETARY: We do not see these as mutually exclusive or that somehow the trade solves all the differences. It just makes it easier. It gives you an atmosphere in which to address the differences, that is

true. The goal of 40 billion dollars we think is achievable by 2010 because if you look at the rate of growth in India-China trade over the last few years, it has really been very fast. It is well over 16 per cent I think in the first nine months of this year for instance. Otherwise we do not see this as exclusive. We would like to try and settle our differences as soon as possible. If it is a boundary issue, for instance, we would like to settle it and both sides are trying their best. We do not see one is stopping or starting the other. I do not think that is how we see it.

QUESTION: On the trans-border linkages ...

FOREIGN SECRETARY: Trans-border linkages, I think what we are talking about is not just pilgrimages but also meeting points, and border trade, and also about traditional linkages across these borders which are of immediate interest to the people who live in those regions, near the boundary. It makes sense from their point of view to have links across these borders. This is really a part of our larger policy if you look at all our borders. As the Prime Minister also likes to say, you cannot change your borders but you can make the borders irrelevant. You can build up a kind of relationship across these borders which contributes to a peaceful environment which is what we need to develop our own country.

QUESTION: On the issue of civilian nuclear energy, para 27 (of the Joint Declaration) says, 'consistent with the respective international commitments'. Does that once again raise the issue of India being a non-signatory to NPT? Since there have been no significant announcement except for the targets that have been set, do you see it as a mere symbolic statement?

FOREIGN SECRETARY: We could hardly say that we will do this in contravention of our own responsibilities and commitments. We will do whatever we do in accordance with our commitments just as I am sure China will do the same. That is just a statement of fact. I do not think it raises a question or complicates it at all. This is a statement of fact. Each of us will implement our commitments. It is on your word that international relations are built. You have to at least keep to your word. So, I do not think that complicates it at all. In fact, if you read the paragraph, it is the determination of both the countries to continue cooperating in an area, civilian nuclear energy, where they have been cooperating in the past. I would much rather that you read it as such.

QUESTION: If you can look at the next paragraph which talks about the space technology, can you expand on what the strengthening of

cooperation will be on satellite launch services? Does it mean reciprocal exchange of satellites or joint missions?

FOREIGN SECRETARY: I think they are discussing all these possibilities. All the things which you have mentioned are on the table. We have a forum directly where we discuss these. But it is something that I should leave for the technical people to answer, frankly.

QUESTION: Going back to the boundary issue, the boundary talks are yet to be successfully concluded. Did the two leaders at any point attempt to give a political push to solve the sticking points in their discussions?

FOREIGN SECRETARY: I think what we are trying to do is to set the dates for the next meeting of the Special Representatives and we are doing so through diplomatic channels. I think very soon we will probably agree on the fresh dates. I think the political push is clear when they say, 'please accelerate your work'. When both leaders say this in a Joint Declaration, then I think that is a political push to a boundary settlement.

QUESTION: It is a general question about how you think China sees India's role in the region. I think the Joint Statement refers to the two countries' respective roles. Do you think China is yet ready to see India as an equal in Asia?

FOREIGN SECRETARY: I can only tell you what they said. Frankly, this question you should ask the Chinese, not me. How China sees things is for China to answer. But I can tell you what they said to us at the highest level, which is that China-India relations has gone beyond bilateral relations and has global significance. It is one of the most important bilateral relations in the world and this is the consistent view of the Chinese Government.

QUESTION: Did you refer to Pakistan in the talks, either on Sino-Pak nuclear deal, or on terrorism, or in any other way?

FOREIGN SECRETARY: Not that I know of.

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219. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and Chinese President Hu Jintao.

New Delhi, November 21, 2006.

PRIME MINISTER: Good afternoon, Ladies and Gentlemen.

President Hu Jintao and I have had cordial, open and constructive talks focusing on our bilateral relations and cooperation on regional and multilateral issues. The Joint Declaration we have agreed on reflects the understandings arrived at in our talks. It puts in place a ten pronged strategy to intensify cooperation in all areas and to give greater content to our strategic partnership. The nature and range of agreements signed today point to the consolidation and diversification of our bilateral relations. President Hu and I have agreed that the positive development of India China relations in recent years must be made irreversible.

Our two Governments have agreed to hold regular summit level meetings and intensify high level exchanges. We will strengthen institutional linkages and inter ministerial dialogue mechanisms. Additional Consulates General will be opened in each country, one in Kolkata for China and one in Guangzhou for India, to facilitate our growing interaction in trade and tourism. We are happy that the long pending issue of the property of the Indian Consulate in Shanghai has been resolved.

President Hu and I have agreed that comprehensive economic and commercial engagement between India and China will receive our urgent and particular attention. We will endeavour to raise the volume of bilateral trade to US\$ 40 billion by 2010 and encourage two way investment flows. We have instructed the Joint Task Force to expedite its study of the feasibility and benefits of the India China Regional Trading Arrangement and submit its report by October 2007. It has been decided to boost trans border connectivity and cooperation. We have endorsed a major initiative on science and technology, which will involve launching of several joint projects. Cooperation in the field of civilian nuclear energy will be promoted. We are also convinced of the imperative need to broad base the relationship through enhanced people to people contacts and cultural ties. There will be several initiatives in this regard, including the launching of an 'India China Year of Friendship through Tourism' in 2007 and a five year programme for exchange of youth delegations.

At the fulcrum of our efforts is our collective political will to enrich

and reinforce our strategic and cooperative partnership for peace and prosperity and to resolve outstanding issues in a focused, sincere and problem solving manner.

President Hu and I appreciate the progress the two Special Representatives have made in their discussions on the boundary question. We are asking them to accelerate their efforts to arrive at a boundary settlement on the basis of the Agreement on Political Parameters and Guiding Principles signed in April last year. We agree that an early boundary settlement will advance the basic interests of the two countries and must therefore be pursued as a strategic objective. Such a settlement will invest our strategic partnership with further strength and dynamism.

As two large Asian states and as two of the fastest growing emerging economies of the world, cooperation between India and China transcends the bilateral and has global significance. Jointly, our two countries can make effective contributions in dealing with global issues of sustainable and equitable development, energy security, peace and prosperity in Asia and in the world, environment protection and the fight against terrorism and cross border crimes.

I am reassured following my talks with President Hu today that as India and China move forward towards all-round national progress, friendship will be the underlying theme of our cooperation. We will take strength from our cooperative endeavours. President Hu and I are in full agreement that the prospects are bright for the simultaneous development of India and China. There is enough space for the two countries to develop together in a mutually supportive manner while remaining sensitive to each other's concerns and aspirations, as befits good neighbours and partners for mutual benefit.

PRESIDENT HU JINTAO: His Excellency Prime Minister Dr. Manmohan Singh, dear friends, ladies and gentlemen, I am very happy to visit the beautiful country of India.

To begin with, please allow me to take this opportunity to express our heartfelt gratitude to the Indian Government and people for the warm reception and protocol arrangements.

My friend Prime Minister Singh has already made a detailed interaction about the achievements that we have scored during the talks. So, what I need to do now is just to add a few more things. Just now, Prime

Minister Singh and I have had friendly and candid talks and we had an in-depth exchange of views on the bilateral relationship and other regional and international matters of mutual interest. Both Prime Minister Singh and I are satisfied with the growth momentum in our relationship.

We both believe that both China and India are major developing countries and our relationship is of global significance with bilateral, regional and international dimensions. China and India share broad and sustained common interests. China and India are true friends and cooperation partners. Our two countries need to carry forward our friendship in the long run, work hand in hand for cooperation and common development and work together to promote peace and development in Asia and the world at large.

We have decided to further expand and deepen our cooperation in economics, trade, finance, information, energy, science, technology, agriculture, human resources development, education and other fields.

The two countries will sign agreements on the investment promotion and protection, and the two sides have also started a new objective to raise the two way trade volume to a level of 40 billion US dollars in the year 2010. The two sides have also decided to speed up the joint feasibility study conducted by the two countries together on our regional trade arrangements.

The two sides have agreed to set up additional Consulates General in each other's countries - one in Kolkata for China and the other in Guangzhou for India. The two sides have agreed to hold jointly a "China-India Year of Friendship through Tourism" in the year 2007.

I also announce on behalf of the Chinese Government our decision to invite five thousand young people from India in the next five years for a visit to China. We both believe that an early settlement to the boundary question serves the fundamental interests of our two countries and represents the common strategic objectives for the two countries. The two sides agreed to continue their efforts, intensify their work and follow the spirit enshrined in the agreement on the political guiding principles for settlement of the boundary question and explore and find such framework that is fair, reasonable and mutually acceptable. For any eventual solution to the boundary question the two sides need to continue their efforts to work together to maintain peace and tranquility in the border areas.

Both China and India are fully confident of the future of this relationship and we are willing to work together to facilitate the all-round and in-depth development of the strategic and cooperative partnership between our two countries.

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220. Joint Declaration by the Republic of India and the People's Republic of China issued during the visit of the Chinese President Hu Jintao.

New Delhi, November 21, 2006.

1. H.E. Mr. Hu Jintao, President of the People's Republic of China, is currently paying a State visit to the Republic of India from 20 to 23 November 2006 at the invitation of H.E. Dr. A.P.J. Abdul Kalam, President of the Republic of India.
2. President Hu Jintao held talks with Prime Minister Dr. Manmohan Singh, earlier today. He will call on President Dr. A. P. J. Abdul Kalam later in the day. Vice President Shri Bhairon Singh Shekhawat, Speaker, Lok Sabha Shri Somnath Chatterjee, and Leader of the Opposition in Lok Sabha Shri L. K. Advani will pay courtesy calls on President Hu Jintao. Smt. Sonia Gandhi, Chairperson, United Progressive Alliance, will meet him. Earlier today, Minister of External Affairs Shri Pranab Mukherjee called on the visiting Chinese President. President Hu Jintao will deliver a policy address at the Vigyan Bhawan and attend the India-China Friendship Year commemorative function. He will also visit Agra and address a business summit in Mumbai, among other engagements.
3. The leaders of the two countries have noted with satisfaction the all-round progress made over recent years in India-China relations and their regional and multilateral cooperation. They reiterate the shared vision and fundamental principles for the future development of India-China relations, as embodied in the Declaration on Principles for Relations and Comprehensive Cooperation of 23 June 2003 and the Joint Statement of 11 April 2005 signed between the Prime Ministers of the two countries.

4. Both sides agree that the relationship between India and China, the two biggest developing countries in the world, is of global and strategic significance. Both countries are seeking to avail themselves of historic opportunities for development. Each side welcomes and takes a positive view of the development of the other, and considers the development of either side as a positive contribution to peace, stability and prosperity of Asia and the world. Both sides hold the view that there exist bright prospects for their common development, that they are not rivals or competitors but are partners for mutual benefit. They agree that there is enough space for them to grow together, achieve a higher scale of development, and play their respective roles in the region and beyond, while remaining sensitive to each other's concerns and aspirations. Strategic partnership between the two countries with a similar worldview is consistent with their roles as two major developing countries. With the growing participation and role of the two countries in all key issues in today's globalising world, their partnership is vital for international efforts to deal with global challenges and threats. As two major countries in the emerging multi-polar global order, the simultaneous development of India and China will have a positive influence on the future international system.
5. In order to promote the sustainable socio-economic development of India and China, to fully realise the substantial potential for their cooperation in a wide range of areas, to upgrade India-China relations to a qualitatively new level, and to further substantiate and reinforce their Strategic and Cooperative Partnership, the leaders of the two countries have committed themselves to pursuing the following “**ten-pronged strategy**”:
 1. **Ensuring Comprehensive Development of Bilateral Relations:**
 6. Both sides are committed to making the positive development and diversification of India-China relations in recent years an irreversible trend.
 7. The two sides agree to hold regular Summit-level meetings, in each other's country and in multilateral forums. They agree that high-level exchanges between Governments, Parliaments and political parties play an important role in expanding overall bilateral cooperation.
 8. In order to sustain, facilitate and promote greater engagement

between the two countries, an additional Consulate General shall be opened in each other's country. The Indian side shall open a new Consulate General in Guangzhou, while the Chinese side shall open a new Consulate General in Kolkata. In this context, the mutually satisfactory resolution of the long-pending issue of the property of the Consulate General of India in Shanghai is a positive development.

II. Strengthening Institutional Linkages and Dialogue Mechanisms:

9. The two sides shall strengthen institutional linkages between their Governments in different areas and levels with a view to foster synergy and cooperation and promote greater understanding of each other's policies and positions on important national, regional and international issues. The concerned ministries and organisations of the two countries shall intensify exchanges under the existing dialogue mechanisms and revitalise those that have not been regularly used. The signing of the Protocol of Cooperation between the Ministry of External Affairs of India and the Ministry of Foreign Affairs of China during the visit is an important step in this direction.

III. Consolidating Commercial and Economic Exchanges:

10. Both sides believe that comprehensive economic and commercial engagement between India and China is a core component of their Strategic and Cooperative Partnership. They will endeavour to raise the volume of their bilateral trade to US\$ 40 billion by 2010. They shall make joint efforts to diversify their trade basket, remove existing impediments, and optimally utilise the present and potential complementarities in their economies, in order to sustain and further strengthen bilateral commercial and economic cooperation. Towards this end, both sides will attach utmost priority to an early implementation of the decisions taken in March 2006 by the Ministerial-level Joint Economic Group, including the recommendations of the Joint Study Group, through mechanisms already created for this purpose. The Joint Task Force set up to study the feasibility and benefits of an India-China Regional Trading Arrangement shall complete its work by October 2007.
11. The conclusion of the Bilateral Investment Promotion and Protection Agreement during the visit is a welcome development that will provide the institutional and legal basis to encourage and promote greater investment flows between the two countries.

12. The Chinese side has invited India to participate in the World Exposition Shanghai 2010. The Indian side expressed its appreciation and stated that it will actively support and participate in the event.

IV. Expanding All-Round Mutually Beneficial Cooperation:

13. The two sides agree to further strengthen positive trends in the all-round development of relations and fully realize the substantial potential of cooperation, including in trade, industry, finance, agriculture, water resources, energy, environment, transportation, infrastructure, information technology, health, education, media, culture, tourism, youth affairs and other fields.
14. Both sides agree to fully implement the provisions of the Memorandum on Cooperation in the field of Oil and Natural Gas signed in January 2006 and encourage collaboration between their enterprises, including through joint exploration and development of hydrocarbon resources in third countries.
15. Given the complementarities that India and China enjoy in the area of information and communication technology, the two sides agreed to strengthen mutually beneficial cooperation in this sector, through closer policy dialogue and enhanced collaboration among their enterprises, including in third countries.
16. The two sides shall fully implement the Memorandum of Understanding on Agricultural Cooperation, step up the exchange of experience in the field of agriculture and rural development, including food security, and hold discussions and consultations on the standards for agricultural goods at an early date in order to facilitate trade in such goods.
17. The two sides will set up an expert-level mechanism to discuss interaction and cooperation on the provision of flood season hydrological data, emergency management and other issues regarding trans-border rivers as agreed between them. The on-going provision of hydrological data for the Brahmaputra/Yarlung Zangbo and the Sutlej/Langqen Zangbo Rivers by the Chinese side to the Indian side has proved valuable in flood forecasting and mitigation. The two sides agree to continue bilateral discussions to finalise at an early date similar arrangements for the Parlung Zangbo and Lohit/Zayu Qu Rivers.

18. Both sides shall intensify their consultations, bilaterally and in multilateral fora, on sustainable development, bio-diversity, climate change and other related environmental issues of common concern. The cooperation in wildlife conservation, particularly in tiger conservation, shall be stepped up.

V. Instilling Mutual Trust and Confidence through Defence Cooperation:

19. The exchange of visits in the field of defence has resulted in building of mutual trust and enhancement of mutual understanding between the defence establishments of the two countries. Both sides shall fully implement the provisions of the Memorandum of Understanding for Exchanges and Cooperation in the field of Defence signed on 29 May 2006, which provides a sound foundation and institutional framework for further development of defence cooperation.

VI. Seeking Early Settlement of Outstanding Issues:

20. Both sides are committed to resolving outstanding differences, including on the boundary question, through peaceful means and in a fair, reasonable, mutually acceptable and proactive manner, while ensuring that such differences are not allowed to affect the positive development of bilateral relations.
21. The Special Representatives of India and China on the boundary question have taken steps and shall continue to strive to arrive at a boundary settlement on the basis of the Agreement on Political Parameters and Guiding Principles for the Settlement of India-China Boundary Question signed on 11 April 2005. An early settlement of the boundary question will advance the basic interests of the two countries and shall, therefore, be pursued as a strategic objective. The Special Representatives shall complete at an early date the task of finalising an appropriate framework for a final package settlement covering all sectors of the India-China boundary. Pending the resolution of the boundary question, both sides shall maintain peace and tranquillity in the border areas in accordance with the agreements of 1993, 1996 and 2005.
22. Along with the talks between the Special Representatives, the Joint Working Group on the India-China Boundary Question shall expedite their work, including on the clarification and confirmation of the line

of actual control and the implementation of confidence building measures. It was agreed to complete the process of exchanging maps indicating their respective perceptions of the entire alignment of the LAC on the basis of already agreed parameters as soon as possible.

VII. Promoting Trans-border Connectivity and Cooperation:

23. Both sides shall promote greater trans-border cooperation at mutually agreed sites in India-China border areas with the objective of transforming their border from being a dividing line into a bridge that unites them in cooperative pursuits. In this context, border trade between India and China, including the recent resumption of border trade through the Nathula La Pass, is of significant importance. The two sides shall strengthen border trade through the existing locations, while continuing to explore the possibility of opening additional trading routes in India-China border areas.
24. The two sides welcome the organisation of a car rally, recommended by the BCIM Forum, between Kolkata and Kunming via Bangladesh and Myanmar.
25. The Chinese side shall provide greater facilitation to Indian pilgrims for the Kailash Mansarovar Yatra. Both sides shall explore the possibility of opening an additional route for the Yatra.

VIII. Boosting Cooperation in Science and Technology:

26. Bearing in mind the priority attached by India and China to scientific and technological development and innovation as a cornerstone of their efforts towards sustainable socio-economic development, the two sides shall establish an India-China Partnership in Science and Technology. The two sides welcome the establishment of the Ministerial-level Committee on Science and Technology Cooperation as a positive step in guiding, coordinating and facilitating cooperative activities. They agree to launch joint projects in the areas of
 - (i) earthquake engineering,
 - (ii) climate change and weather forecasting,
 - (iii) nano-technology with focus on advanced materials, and
 - (iv) biotechnology and medicines with focus on bio-nano. The cooperation framework shall include entrepreneurs on both

sides, besides the two Governments and their respective institutions.

27. Considering that for both India and China, expansion of civilian nuclear energy programme is an essential and important component of their national energy plans to ensure energy security, the two sides agree to promote cooperation in the field of nuclear energy, consistent with their respective international commitments. As two countries with advanced scientific capabilities, they stress the importance of further deepening cooperation bilaterally as well as through multilateral projects such as ITER, and enhance exchanges in the related academic fields.
28. As countries, which have made advances in space technologies, both sides reiterate their commitment to the use of outer space for peaceful purposes. They agree to strengthen their cooperation in the use of space-based technologies for peaceful and developmental applications, including through satellite remote sensing, satellite communications, satellite meteorology and satellite launch services. Cooperation in practical applications of space technology, such as those related to disaster management and distance education, shall also be actively explored. Towards this end, both sides shall fully implement the provisions of the Memoranda of Understanding on the peaceful use of outer space signed between India and China in December 1991 and January 2002.

IX. Revitalising Cultural Ties and Nurturing People-to-People Exchanges:

29. The centuries-old cultural contacts between the two peoples provide a strong foundation for enduring friendship between India and China. The initiatives to rediscover these historical linkages and revitalise them in the present day context, including through an early completion of the Xuanzang Memorial in Nalanda and the Indian-style Buddhist Shrine in Luoyang, will further strengthen these bonds. The two sides agree to strengthen cooperation in the area of spiritual and civilizational heritage, discuss collaboration in the digitisation of Buddhist manuscripts available in China as well as the re-development of Nalanda as a major centre of learning with the establishment of an international university on the basis of regional cooperation. In order to promote greater awareness of each other's culture, the two sides shall organise a "Festival of India" in China

and a “Festival of China” in India, with a joint logo. Detailed modalities in this regard will be decided by the concerned authorities through mutual consultations.

30. In order to promote greater academic exchanges between India and China, the two sides agree to work towards the establishment of an “India-China Exchange Foundation”. Detailed modalities of the Foundation will be worked out through mutual consultations.
31. India-China relations in the field of education will be further strengthened through a new Educational Exchange Programme concluded during the visit.
32. The two sides also agree to launch a five-year programme for mutual exchange of youth delegations. In this context, the Chinese side invites five hundred youth from India over the next five years.
33. With a view to vigorously promoting tourism between India and China, the two sides shall organise the “India-China Year of Friendship Through Tourism” in 2007 with a joint logo and take other initiatives, such as opening of the office of the China National Tourism Administration in India and an Indian Tourism Office in China, improved air connectivity, and continued liberalisation of the visa regime.
34. The two sides welcome cooperation linkages between the Indian States and the Chinese provinces in order to promote greater people-to-people exchanges.

X. Expanding Cooperation on Regional and International Stage:

35. The two sides shall hold regular exchange of views on the emerging security environment in the Asia-Pacific and in the world, and undertake proactive consultations on issues of immediate and emerging concern, so as to coordinate their positions and to make positive contribution towards peaceful resolution of such issues. They shall also have regular consultations on issues pertaining to regional peace, security and stability, such as regional maritime security, proliferation of weapons of mass destruction and related materials and their means of delivery, pandemics, natural disasters, illegal trafficking in arms, narcotics and people, and environmental degradation.
36. The two sides positively assess the trilateral dialogue mechanism among India, China and Russia and agree that exchanges and cooperation under it should be further substantiated.

37. Recognising that terrorism constitutes a crime against humanity that cannot be justified on any ground and condemning it in all forms and manifestations, the two sides agree to revitalise and broaden the India-China Dialogue Mechanism on Counter-Terrorism. They shall strengthen their efforts, bilaterally as also in the international fora, to fight against terrorism, separatism and extremism, and the linkages between terrorism and organized crime and illicit arms and drugs trafficking.
38. Recognising the central role of the United Nations in promoting international peace, security and development, both sides reiterate their determination to strengthen the UN system. The reform of the UN should be comprehensive, ensure balanced representation of developing and developed countries in the UN Security Council, and add to the efficiency and efficacy of the UN and its Security Council. The two sides shall conduct consultations on the question of UN reform, including the reform of the UN Security Council. The Indian side reiterates its aspirations for permanent membership of the UN Security Council. China attaches great importance to the status of India in international affairs. It understands and supports India's aspirations to play a greater role in the United Nations.
39. Energy security constitutes a vital and strategic issue for producing and consuming countries alike. It is consistent with the common interest of the two sides to establish an international energy order, which is fair, equitable, secure and stable, and to the benefit of the entire international community. Both sides shall also make joint efforts, bilaterally as well as in multilateral fora, to diversify the global energy mix and to increase the share in it of renewable energy sources. Global energy systems should take into account and meet the energy needs of both countries, as part and parcel of a stable, predictable, secure and clean energy future. In this context, international civilian nuclear cooperation should be advanced through innovative and forward-looking approaches, while safeguarding the effectiveness of international non-proliferation principles.
40. Both countries are committed to non-proliferation objectives and agree to expand their dialogue on the related issues, in bilateral and international fora.
41. As two large developing countries with relatively successful developmental experiences, India and China share unique

responsibilities to protect and promote the interests of the developing world in the emerging international order and to help them benefit from the positive forces of globalisation. In this context, the two sides shall hold a two-part international seminar in Beijing and New Delhi, co-hosted by their Ministries of Finance, to share their developmental experience with other developing countries and the international community at large.

42. The two sides agree to strengthen their cooperation in the World Trade Organisation. They support the establishment of an open, fair, equitable, transparent and rule-based multilateral trading system, early resumption of Doha negotiations, and are determined to safeguard the legitimate rights and interests of the developing countries. As founder Members of the G-20 and the G-33, they are determined to strengthen their cooperation and to coordinate with other members of the WTO, especially the developing countries, in order to secure an early resumption of the negotiations on the Doha Work Programme, placing the development dimension at its heart.
43. Recognising that regional integration is an important feature of the emerging international economic order, the two sides agree to expand their coordination within regional organisations and explore a new architecture for closer regional cooperation in Asia. They positively view each other's participation in Asian inter-regional, regional and sub-regional cooperation process, including in the progress towards the East Asian Community. In this context, the two sides agree to cooperate closely in the East Asia Summit. The Indian side welcomes China's attainment of observer status in the South Asian Association for Regional Cooperation. The Chinese side welcomes India's membership of the Asia-Europe Meeting. The two sides agree to expand their cooperation on issues on common interest under the Shanghai Cooperation Organisation.
44. The Indian side recalls that India was among the first countries to recognize that there is one China and that its one China policy has remained unaltered. The Indian side states that it would continue to abide by its one China policy. The Chinese side expresses its appreciation for the Indian position.
45. The Indian side reiterates that it has recognized the Tibet Autonomous Region as part of the territory of the People's Republic of China, and that it does not allow Tibetans to engage in anti-China

political activities in India. The Chinese side expresses its appreciation for the Indian position.

46. The following agreements¹ were signed during the visit:
- i) Protocol on the Establishment of Consulates-General at Guangzhou and Kolkata;

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1. **The following is the synopsis of the agreements signed:**
 - a. **Protocol between the Government of the Republic of India and the Government of the People's Republic of China on the Establishment of Consulates-General at Guangzhou and Kolkata** (*Signatories: Shri Pranab Mukherjee, Minister of External Affairs and Mr. Li Zhaoxing, Minister of Foreign Affairs of the People's Republic of China*) This Protocol provides for an Indian Consulate-General in Guangzhou, with its consular district covering the seven Chinese Provinces of Guangdong, Fujian, Hunan, Hainan, Yunnan, Sichuan and Guangxi Zhuang Autonomous Region. The Chinese Consulate-General in Kolkata will have its consular district covering the five States of West Bengal, Orissa, Chhattisgarh, Jharkhand and Bihar. This Protocol will help sustain, facilitate and promote greater engagement between India and China.
 - b. **Protocol on Cooperation between the Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the People's Republic of China** (*Signatories: Shri Pranab Mukherjee, Minister of External Affairs and Mr. Li Zhaoxing, Minister of Foreign Affairs of the People's Republic of China*) This Protocol institutionalizes the bilateral dialogue and consultation mechanisms between the two Foreign Offices and provides for the establishment of a hotline between the two Foreign Ministers. The Protocol is expected to intensify dialogues, interaction and cooperation on issues of mutual interest between the two Foreign Offices.
 - c. **Agreement between the Government of the Republic of India and the Government of the People's Republic of China on the Issue of Property of the Consulate General of the Republic of India in Shanghai** (*Signatories: Shri Pranab Mukherjee, Minister of External Affairs and Mr. Li Zhaoxing, Minister of Foreign Affairs of the People's Republic of China*) Under this Agreement, the Chinese side shall provide the Indian side with a plot of land measuring an area of 5,000 square meters, free of charge for the construction of the premises of the Consulate General of India, Shanghai. The plot of land is provided to Indian side in lieu of the old Indian Consulate property in Shanghai. The signing of the agreement will bring to a close an issue which has remained outstanding for over 40 years now.
 - d. **Agreement between the Government of the Republic of India and the Government of the People's Republic of China for the Promotion and Protection of Investments** (*Signatories: Shri Kamal Nath, Minister of Commerce and Industry and Mr. Bo Xilai, Chinese Minister of Commerce*) The Agreement provides for a framework for bilateral investment flows between the two countries, thereby creating favourable conditions for investors of one country to make investments in the other. This will send a positive signal to prospective Indian and Chinese investors and contribute to strengthening of the economic engagement between the two countries.
 - e. **Agreement of Cooperation on Inspection of Iron Ore between Export Inspection Council of the Republic of India (EIC) and the General Administration of Quality**

Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) (*Signatories: Shri Kamal Nath, Minister of Commerce and Industry and Mr. Li Changjiang, Administrator, AQSIQ*) The Agreement establishes a mechanism to inspect trade in iron ore between China and India. The Export Inspection Council of India and the General Administration of Quality Supervision, Inspection and Quarantine of China shall respectively recognise and designate inspection agencies in India and China. This Agreement is expected to give a further boost to bilateral trade in iron ore-the single largest export item from India to China.

- f. **The Protocol between the Ministry of Agriculture of the Republic of India and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China on Phytosanitary Requirements for Exporting Rice from India to China** (*Signatories: Shri Sharad Pawar, Minister for Agriculture and Mr. Li Changjiang, Administrator of AQSIQ*) This Protocol, which provides, the phytosanitary requirements regarding the entry into China of Basmati rice produced in India, will facilitate the export of Indian rice to China. Accordingly, Basmati rice that is exported to China shall comply with the Chinese plant quarantine laws and regulations and also adhere to the relevant measures under the WTO.
- g. **MOU between the Indian Council of Agricultural Research (ICAR) and the Chinese Academy of Agricultural Sciences (CAAS) for Cooperation in Agricultural Research** (*Signatories: Dr. Mangala Rai, Secretary, Department of Agricultural Research and Education and Director General, ICAR and Mr. Sun Yuxi, Ambassador of the People's Republic of China to India*) Under this MOU, the ICAR and CAAS agree to promote cooperation in the exchange of scientific personnel; germplasm and breeding material; scientific literature, information and methodology; equipment, etc. The signing of this MOU will facilitate cooperation in areas that are crucial to the well-being of a large part of their respective populations.
- h. **Exchange Programme between the Ministry of Human Resource Development of the Government of the Republic of India and the Ministry of Education of the Government of the People's Republic of China on Cooperation in the Field of Education** (*Signatories: Shri R. P. Agarwal, Secretary (HE), Ministry of Human Resource Development and Mr. Cui Tiankai, Assistant Minister of Foreign Affairs of the People's Republic of China*) Through this Agreement the Ministry of Human Resource Development of India and the Ministry of Education of the Government of China seek to encourage the development of contacts and cooperation between the educational institutions of the two countries. As two developing countries with large human resources potential, cooperation in the area of education will contribute to the further broad basing of the bilateral relationship.
- i. **MOU between Forward Markets Commission, India and China Security Regulatory Commission Regarding Commodity Futures Regulatory Cooperation** (*Signatories: Shri S. Sundareshan, Chairman, Forward Markets Commission and Mr. Sun Yuxi, Ambassador of the People's Republic of China to India*) The purpose of this MOU is to promote investor protection and integrity of the commodity futures markets by providing a framework for cooperation, including channels of communication, increasing mutual understanding and exchange of regulatory and technical information.
- j. **MOU on Cooperation between the Indian Institute of Public Administration, India and the Party School of the Central Committee of the Communist Party of China, the People's Republic of China** (*Signatories: Shri P. L. Sanjeeva Reddy, Director General, IIPA and Mr. Cui Tiankai, Assistant Minister of Foreign Affairs of*

- ii) Protocol on Cooperation between the Ministry of External Affairs of India and the Ministry of Foreign Affairs of China;
- iii) Agreement on the Issue of Property of the Consulate General of India in Shanghai;
- iv) Agreement on Bilateral Investment Protection and Promotion;
- v) Memorandum of Understanding on Inspection of Export Cargo (Iron Ore);
- vi) Protocol on Phytosanitary Requirements for Exporting Rice from India to China;
- vii) Memorandum of Understanding between Forward Markets Commission of India and China Securities Regulatory Commission regarding Commodity Futures Regulatory Cooperation;

the People's Republic of China)The MOU provides for cooperation between the IIPA and the CPS on issues of common interest such as rural development, agriculture, poverty alleviation, public administration, public policy, role of government in a market economy and role of Planning Commissions. The signing of the MOU reflects the desire of the public administration institutions of the two sides to better understand each other's systems of governance and promote cooperation and exchange of experience. [Note: The CPS is a school for developing mid and high level Party and government officials under the direct leadership of the Central Committee of the Communist Party of China.]

- k. **The Agreement on Forestry Cooperation between Ministry of Environment and Forests of the Republic of India and State Forestry Administration of the People's Republic of China**(*Signatories: Shri Gopal Krishna Prasad, Director General of Forests & Special Secretary, Ministry of Environment and Forests and Mr. Cui Tiankai, Assistant Minister of Foreign Affairs of the People's Republic of China*)Under this Agreement the two sides shall support cooperation and development in forestry related fields of economy, manufacturing, processing, and science & technology. This would provide an opportunity for the two sides to gain better insight into an important part of the other's natural ecosystem and the activities that influence them.
- l. **MOU between the Archaeological Survey of India of the Republic of India (ASI) and the State Administration of Cultural Heritage of the People's Republic of China (SACH) on Cooperation in the Conservation of Cultural Heritage**(*Signatories: Shri C. Babu Rajeev, Director General, Archaeological Survey of India and Mr. Shan Jixiang, Director General of State Administration of Cultural Heritage of China*)The MOU provides for cooperation between ASI and SACH in the field of cultural heritage. Cooperation shall include exchange of professional experience; training of personnel; and joint scientific and academic research in related spheres of activity. Such cooperation assumes significance for the two countries which are inheritors of the oldest civilisations in the world.

- viii) Memorandum of Understanding on Cooperation between the Indian Institute of Public Administration and the Central Party School of the Communist Party of China;
 - ix) Agreement on Forestry Cooperation;
 - x) Memorandum of Understanding between the Indian Council of Agricultural Research and the Chinese Academy of Agricultural Sciences;
 - xi) Exchange Programme on Cooperation in the Field of Education;
 - xii) Memorandum of Understanding on Cooperation in the Conservation of Cultural Heritage; and
 - xiii) Agreement on Preventing Theft, Clandestine Excavation and Illicit Import and Export of Cultural Property.
47. The two sides believe that the highly successful visit of President Hu Jintao to India marks the high point of the India-China Friendship Year in 2006, promotes mutual understanding and trust, helps in substantiating the Strategic and Cooperative Partnership between the two countries and leads to a qualitative and quantum improvement in bilateral relations. They also agree that this Joint Statement provides a valuable blueprint for enduring development and diversification of the relations between India and China and sustained enrichment of their strategic partnership.
48. President Hu Jintao extended invitations to President Dr. A.P.J Abdul Kalam and Prime Minister Dr. Manmohan Singh to visit China. The invitations were accepted with appreciation. The timing of the visits will be decided through diplomatic channels.

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- m. **Agreement between the Government of the Republic of India and the Government of the People's Republic of China on Preventing Theft, Clandestine Excavation and Illicit Import and Export of Cultural Property** (*Signatories: Shri C. Babu Rajeev, Director General, Archaeological Survey of India and Mr. Shan Jixiang, Director General of State Administration of Cultural Heritage of China*) Under this Agreement, the Ministry of Culture of India and the State Administration of Cultural Heritage of China shall collaborate in adopting preventive, mandatory and remedial measures to combat unlawful and criminal practices concerning the theft, clandestine excavation and illicit import and export of cultural property.

221. Speech by President A. P. J. Abdul Kalam at the Banquet in honour of the President of the People's Republic of China Hu Jintao.

New Delhi, November 21, 2006.

Your Excellency,

Mr. Hu Jintao,

President of the People's Republic of China,

Madam Liu Yongqing,

Excellencies,

Distinguished Guests, Ladies and Gentlemen,

It gives me great pleasure to very warmly welcome you, Mr. President and your delegation to India. Your visit is indeed a historic milestone in our bilateral relations. Its significance is further enhanced as it comes as the high point of the celebrations of the India-China Friendship Year. Today, we look back with great satisfaction at the steady evolution of our relations to new levels of cooperation and mutual understanding. There is a long and fascinating history of cultural and civilisational exchanges between our two countries. These exchanges in the fields of architecture, music, painting, astronomy, mathematics and medicine, and the role played by Buddhism in bringing our countries together in times gone by have been chronicled extensively. Our traditional friendship and civilisational contact continue to provide a strong underpinning to the development of our present day dialogue and interaction. We are confident in our belief, Mr. President that our relations will continue to flourish and grow in the years to come in multiple fields.

Let me recollect our history when, around the year 1750 A.D., China and India together accounted for almost two-thirds of the total world trade before colonization of both our countries. Our joint mission in the area of trade should always lead to higher and more competitive output in terms of trade. This will lead to a more prosperous and better world.

Excellency, India looks at China's rapid development with deep interest and appreciation. As a large developing country, endeavouring to seek inclusive development for its people, India faces many of the challenges that China also does. As our two countries take steady steps in

their forward march towards progress and prosperity, close cooperation between us is imperative for the overall betterment of humanity. I am aware that you have visited India in the past. Your visit this time would give you an opportunity to see and understand the significant developments that have taken place in India since then. I am confident that as our two countries develop and our peoples prosper, our cooperation and exchanges will achieve even greater substance and sustenance. The pace at which India-China relations have recently grown across a comprehensive spectrum testifies this. We are confident that your visit will impart significant momentum to this positive process.

Convergence of technologies is taking place at a fast pace and both our countries can work together in this area. Information and communication technology have converged into ICT. Information Technology has also combined with biotechnology and converged into bio-informatics. When bio-informatics will combine with nanotechnology, we can make great progress towards a disease free, happy and more intelligent human habitat.

Excellency, our relationship transcends our bilateral interaction. With a population of one third of humanity that is constantly moving forward, what happens in India and China concerns the whole world. Our healthy economic growth and steady national development is a stabilizing factor in today's international economic order. Both our countries seek a peaceful environment to focus on the paramount task of national development. Positive trends in India-China relations, therefore, promote peace, stability and harmonious development in the region in which we live and even beyond. The youth of our two countries presents the greatest source of our strength and hope. The successful Youth Exchange programme between our two countries is an example of how these citizens of tomorrow can appreciate the great cultures of our two nations and look forward to a bright and harmonious future.

The regional and global perspective of our ties further necessitates that we take a long-term and strategic view of our relationship. We need to add more substance and meaning to our strategic relationship. Our discussions fully reflect our shared commitment to this end and are another pointer to the maturity of our relationship. Together, we can strengthen the global quest for multipolarisation and multilateralism, and harness the positive forces of globalization for the benefit of developing countries.

Excellency, India views its relations with China as being of utmost importance and remains fully committed to further invigorating the strategic

and cooperative partnership between our countries. We are confident that with the joint efforts of both sides, we will achieve this laudable goal. Let me once again welcome Your Excellency and Madam Liu Yongqing to India.

Excellencies, Ladies and Gentlemen, may I request you to join me in raising a toast to:

- the good health of his Excellency President Hu Jintao and Madam Liu Yongqing;
- the well-being of the Chinese people, and;
- everlasting friendship between India and China.

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222. Address by President Dr. A. P. J. Abdul Kalam at the Friendship Year Commemorative Function during the visit of Chinese President Hu Jintao.

New Delhi, November 21, 2006.

India-China Friendship will lead to World Peace

Dear friends, it is indeed a beautiful day to commemorate the friendship year of the People's Republic of China and the Republic of India in the presence of His Excellency Mr. Hu Jintao, the President of the People's Republic of China. While I am with you, I would like to recall two scenes, one in India and another in China. These two episodes indicate the strong bonds between our two nations for many centuries which are continuing and which will continue.

Ancient Nalanda University and Hieun Tsang

The first scene, I would like to capture is a scene from the Nalanda Ancient University in India. I visited Nalanda and spent a full day there. This was a very active center of learning and research during the period between 5th to 12th Century A.D., in theology, philosophy and religion. Nearly 2000 teachers and 10000 students from many countries converged there and were studying and researching on how to elevate human minds. I saw the areas of Nalanda where the discourses took place, the remnants

of hermitages of monks and teachers. Hieun Tsang a famous Chinese philosopher and historian who came to India in the 5th century A.D. and stayed in Nalanda for 12 years as a student and a teacher and studied and researched the social and political conditions. His contemporaries were great thinkers like Nagarjuna, Dharmapal, and Aryadeva. Hieun Tsang has left detailed description of excellence of education in Nalanda. There is a memorial hall built in his memory. This indicates how educational connectivity in philosophy and theology existed between India and China, even during 5th Century A.D.

Dr. D.S. Kotnis in China

Now I would like to describe the second scene in China. Dr. D.S. Kotnis had worked as the Director of Dr. Bethune International Peace Hospital in Shec-Zia Zhong in China. Dr. Kotnis along with four other doctors were sent as the Indian Medical Mission Team in 1938 for providing medical cover to the people affected by Japanese invasion of China. All except Dr. Kotnis returned to India safely. Dr. Kotnis stayed in China for five years working in mobile clinics to treat wounded soldiers. Dr. Kotnis joined the 8-route army and worked 72 hours at a stretch for treating the war casualties. During his mission, Dr. Kotnis was a lecturer at the Dr. Bethune Hygiene School and the President of Dr. Bethune International Peace Hospital along with the Canadian Dr. Norman Bethune; Dr. Kotnis continues to be remembered by the Chinese people.

Unity of Minds

The deep historical and cultural association that our ancient civilizations share has made rich contributions in shaping the development of humanity and gives a unique dimension to India-China relations in contemporary times. The remarkable growth and diversification of India–China relations in recent years are a matter of satisfaction and gives optimism for the future of our relations. 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 values to the India–China partnership.

The tradition of unity of minds, which we are building in India and China, can definitely enrich our society through technology, trade and business and above all a strategic partnership. The more, our two nations come closer and work together for the prosperity of the people, definitely

not only India and China will prosper but also this unique trend will lead to prosperity and peace in the world.

270The commemoration of the India–China Friendship year is truly a tribute to the distance traversed, through friendly exchanges and contacts, by two nations through the labyrinths of time. My best wishes to all the participants from China and India for success in their mission of reinforcing the strategic and cooperative partnership for peace and prosperity of the planet Earth.

May God bless you.

F F F F F

223. Address by President Dr. A. P. J. Abdul Kalam to the Youth Delegations during the visit of the Chinese President Hu Jintao.

New Delhi, November 21, 2006.

Enlightened Citizens of the World

I am delighted to participate and address the Youth Delegations of China and India in the company of his Excellency President Hu Jintao. It is always a unique experience to meet the young because they embody hope for the future. When I see you young friends, the youth of China and India I can see more than a billion youth of our planet. The youth indeed is well known for their ignited minds with a purpose and enthusiasm. The Ignited mind of the youth is indeed among all the resources, the most powerful resource, on the Earth, above the Earth and under the Earth. Both our countries are fortunate to have youth power of ignited minds.

Friends I would like to share certain experiences of the last four years as the President of India. I have travelled to almost all parts of my country and visited 14 countries. During these visits, I have interacted with over one million youth below 17 years of age both in the urban and rural environments. One message, I would like to give to the youth from India and China, is that youth irrespective of their nationality, have a dream to live in a peaceful, prosperous and happy nation. In these circumstances, what can be the mission for India and China? China already has got a

vision to build a harmonious society in China with economic development so as to achieve prosperity with its age old value system propagated by great philosopher like Confucius (Kong Fuzi) during the period 500 B.C. Similarly, young friends, India has a vision to transform itself into an economically developed nation before the year 2020 with its ethical base drawn from its civilizational heritage from before Buddha's enlightenment in 500 B.C.

Friends, let me recall the great philosophy put forth by Confucius and Buddha for realizing a happy and harmonious and prosperous society. I would like to give the verses, which reflect the great thoughts of the two sages of great countries in the form of a hymn.

Righteousness

Where there is righteousness in the heart,

there is beauty in the character.

Where there is beauty in the character,

there is harmony in the home.

Where there is harmony in the home,

there is an order in the nation.

Where there is order in the nation,

there is peace in the world.

Dear young friends of India and China, can you see the beautiful thoughts of the great noble minds of China and India. Peace in the world indeed is born out of righteousness in the heart. Righteousness in the heart brings harmony in the home, which is cherished by both our countries.

What is needed today in the world is the birth of an enlightened society. To achieve an enlightened society, we need righteous citizens, who can be evolved through education with a value system up to the age of 17, religion transforming into a spiritual force, and above all both our nations playing a great role in uplifting the people of the countries who are living below the poverty line. This can be done by empowering the nation with knowledge and resources so that the inequality between people of various nations is reduced and peace is born.

The youth of our two countries with vision provided by the leaders of our nations can definitely bring peace, prosperity and happiness to our planet.

I wish you success in all your missions. May God bless you.

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224. Protocol on Cooperation between the Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the People's Republic of China.

New Delhi, November 21, 2006.

The Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the People's Republic of China (hereinafter referred to as the "parties"),

Recalling their commitment to the fundamental principles for developing bilateral relations adopted through the Declaration on Principles for Relations and Comprehensive Cooperation between the Republic of India and the People's Republic of China of June 2003;

Further recalling the visit of Premier Wen Jiabao to India in April 2005 during which the two sides characterized their growing relations as a Strategic and Cooperative Partnership for Peace and Prosperity;

Desirous of developing long-term friendly, good - neighbourly and mutually beneficial relations based on the principles of *Panchsheel* and mutual sensitivity to each others concerns and aspirations and equality,

Noting with satisfaction that bilateral relations between the two countries are gradually acquiring a greater global and strategic dimension,

Convinced that promotion of bilateral dialogue and exchanges at different levels on issues of bilateral relations and on regional and international issues of mutual interest contributes to further strengthening of mutual understanding and mutual trust between the two countries,

Recognising the need to further consolidate, institutionalize and strengthen their dialogue and consultation mechanisms, and

Convinced of the need to impart further substantive content to the growing bilateral relations,

Have agreed as follows:

ARTICLE I

The parties will institutionalize a system of regular meetings at the level of Foreign Ministers of the two countries and establish a hot line between the two Foreign Ministers to exchange views on bilateral relations and international and regional issues of common concern.

The hot line will be established within six months of the enforcement of this Protocol.

ARTICLE II

- (a) The following shall be the levels and coverage of the different dialogue mechanisms:
- i) The Strategic Dialogue at Foreign Secretary/Vice-Ministerial level to exchange views on major international and regional issues and those of long term significance to bilateral relations and to promote strategic partnership between the two countries;
 - ii) The Joint Secretary/Director General - level Foreign Office Consultations to exchange views on bilateral relations, and regional, multilateral and global issues of mutual interest;
 - iii) The Joint Secretary/Director General - level Dialogue on Counter-Terrorism with the two delegations being led by respective Foreign Ministries and including representatives of their Home/Public Security Ministries, Armed and Police Forces and other relevant law enforcement organs of the two parties engaged in counter-terrorism;
 - iv) The Joint Secretary/Director General - level Security Dialogue, which will cover issues pertaining to regional and international security, including disarmament and non-proliferation; and
 - v) The Joint Secretary/Director General - level Policy Planning Dialogue to enhance understanding of each others' perceptions of the evolving international and regional situation

and exchange views on the policy options that emerge therefrom.

- (b) These dialogue mechanisms shall ordinarily be covered once every year, alternately in the two countries. The parties may, by mutual agreement, increase the frequency of meetings to exchange views on issues of urgent nature.
- (c) The dates, agenda, venue and other matters relating to the convening of these dialogue mechanisms will be decided through diplomatic channels.

ARTICLE III

- (a) The parties will revitalize the mechanism of the Joint Working Group (JWG) on the Boundary Question at the Foreign Secretary/Vice Foreign Minister level. The JWG will meet regularly and carry out the mandate assigned to it by the two Governments.
- (b) The India-China Diplomatic and Military Expert Group will hold its meetings as directed by the JWG.

ARTICLE IV

The following will be the administrative and financial arrangements for holding the bilateral dialogues as listed in Articles II and III above:

- i) The host side will make necessary arrangements for the meeting venues for the dialogues at its cost and offer appropriate courtesies to the visiting delegations;
- ii) The host side will provide appropriate invitation letters and facilitate issue of visas to the visiting delegations on gratis basis; and
- iii) The parties will send their respective delegations for the dialogues on self-financed basis. However, if requested by the other side, the host side will assist the concerned diplomatic mission of the other side in making local arrangements for transportation and hotel accommodation for the visiting delegations for the dialogues.

ARTICLE V

- (a) The parties will encourage cooperation between representatives of their diplomatic services, including between their diplomatic and

consular missions in third countries, to promote cooperation and consultations on issues of mutual interest.

- (b) In order to promote mutual understanding between their diplomats, the two parties will exchange delegations of diplomats at appropriate levels on the basis of reciprocity and balance. The East Asia Division of the Ministry of External Affairs of India and the Asian Department of the Ministry of Foreign Affairs of China will be the organisers of this exchange of visits. The international travel expenses will be borne by the delegation itself, and the host will cover the expenses incurred during visits.

ARTICLE VI

The parties will continue to cooperate and hold consultations to coordinate their positions on various international and regional issues of mutual interest within the framework of international and regional organizations and forums. They will give positive consideration to each other's requests for election to offices in regional and international organizations and forums.

ARTICLE VII

The parties will service the periodic meetings of the Eminent Persons Group (EPG). The meetings of the EPG will be held alternately in the national capitals of the two countries on the basis of the programme of work agreed to between the two Co-Chairmen. Participation will be on a self-financed basis except that the host side may, on the basis of reciprocity and balance, arrange a visit at its cost to a location outside the national capital for the visiting delegation.

ARTICLE VIII

The parties shall encourage the Indian Council of World Affairs and the Chinese People's Institute of Foreign Affairs to effectively implement the Memorandum of Understanding on Exchanges and Cooperation Between the Chinese People's Institute of Foreign Affairs, the People's Republic of China and the Indian Council of World Affairs, the Republic of India signed in New Delhi on April 11, 2005.

ARTICLE IX

This Protocol may be amended through an Exchange of Notes with the consent of the parties.

ARTICLE X

This Protocol shall enter into force 30 days after the date of its signature and shall remain valid for a period of five years. Once this Protocol enters into force, it will supercede the existing *Protocol on Cooperation between the Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the People's Republic of China signed on August 5, 1997*.

This Protocol shall be renewable automatically for successive periods of five years unless either side requests its termination by serving a written notice to the other side six months prior to the date of expiration.

Expiration of this Protocol will not affect the on-going projects, unless otherwise decided by the parties.

Done in New Delhi on November 21, 2006, in two originals each in the Hindi, Chinese and English languages, all texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

**For the Ministry of External
Affairs of the Republic of India**

**For the Ministry of Foreign Affairs
of the People's Republic of China**

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225. Protocol between the Government of the Republic of India and the Government of the People's Republic of China on the establishment of Consulates-General at Guangzhou and Kolkata.

New Delhi, November 21, 2006.

The Government of the Republic of India and the Government of the People's Republic of China (hereinafter referred to as the "Parties");

PROCEEDING from the common desire to develop friendly relations and strengthen the consular cooperation between the two countries;

RECALLING the Consular Convention between the Republic of India

and the People's Republic of China signed on December 13, 1991, and also the Vienna Convention on Consular Relations of April 24, 1963;

HAVE agreed as follows:

Article I

The Government of the People's Republic of China gives its consent to the Government of the Republic of India to establish a Consulate-General in Guangzhou, with its consular district covering the Provinces of Guangdong, Fujian, Hunan, Hainan, Yunnan and Sichuan, and Guangxi Zhuang Autonomous Region.

Article II

The Government of the Republic of India gives its consent to the Government of the People's Republic of China to establish a Consulate-General in Kolkata, with its consular district covering the States of West Bengal, Orissa, Chhattisgarh, Jharkhand and Bihar.

Article III

The number of members of each Consulate-General of the two Parties shall not exceed the limit of twenty-five persons, of which consular officers shall not exceed the limit of ten persons.

Article IV

The Parties shall provide each other all necessary assistance and facilitation for the establishment of the said Consulates-General and in the performance of their consular functions in accordance with the Consular Convention between the Republic of India and the People's Republic of China signed on December 13, 1991, the Vienna Convention on Consular Relations of April 24, 1963, the relevant laws and regulations of the two countries, and the principle of reciprocity.

Article V

Any issue that may arise concerning the functioning of the Consulates-General established under this Protocol shall be resolved by friendly consultations between the Parties.

Article VI

This Protocol shall come into force on the date of its signature. Any

amendment or addition to this Protocol may be done by mutual agreement in writing between the Parties.

Done in duplicate in New Delhi on November 21, 2006, in the Hindi, Chinese and English languages, all texts being equally authentic. In case of any divergence in the interpretation of the texts, the English text shall prevail.

**For the Government of
the Republic of India**

**For the Government of the
People's Republic of China**

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226. Remarks of External Affairs Minister Pranab Mukherjee in the Lok Sabha on the issue of Chinese claim on Arunachal Pradesh as claimed by the Chinese Ambassador.

New Delhi, November 24, 2006.

Sir, I would just like to clarify a couple of points. First of all, I would like to assure the hon. Leader of the Opposition that on Monday or Tuesday I am going to lay the joint statement, as per the practice, which was issued by the Chinese President and the Indian Prime Minister. That will be laid on the Table of House, along with the 13 Agreements which have been signed, as per the practice. If the hon. Members want to have a discussion on it and if you permit, as per the rules and procedure of the House, it can be discussed.

So far as the issue of Arunachal Pradesh is concerned, I think, it was not necessary to raise it in this format because the very next day I made it quite clear that Arunachal Pradesh is an integral part of India. Somebody has raised the point whether the Ambassador has been called or whether we have formally lodged a protest or not. When the highest person in the Ministry of External Affairs himself is refuting, these niceties are not required. If the Foreign Minister does not respond then on his behalf somebody from the Ministry of External Affairs respond. Not only that, it was also, our Ambassador in Beijing drew the attention of the Chinese authorities and pointed out that this statement should not have come from the Chinese Ambassador just on the eve of the visit. Naturally, their response was that we have not yet received the full text of the statement, we shall ascertain it.

So far as Arunachal Pradesh is concerned, the Resolution of 1962, Statement of Pandit Jawaharlal Nehru and all those are part of history. Everybody knows of it. Therefore, let us not go into this aspect. But at the same time, the fact of the matter is to be kept in view. I am just reminding the hon. Leader of the Opposition as he was very much in the Government at that point of time. In 2003, the then hon. Prime Minister, Shri Atal Bihari Vajpayee was visiting Beijing. I am not going back to the days of 1977 as Shri Mohan Singh did, he has the grand knowledge of history and he can put the things in historical perspective, but I am just drawing the attention of the House to the very recent happening that occurred between 22nd to 27th June 2003 hon. Shri Vajpayee Ji was visiting Beijing. At that point of time, on 26th of June, there was a transgression. Normally, it happens. There was a transgression on the Actual Line of Control in the placed called Asephilla in the Upper Subansiri Region. Naturally, there was a formal protest.

This was also raised in the Monsoon Session of Parliament and the then Minister of External Affairs, Shri Yashwant Sinha, while responding to the questions in the Parliament on 24th of July 2003 told the Parliament that India has taken up the issue with the Chinese side. He further added that this is an area where there are differences in the perception of the LoC between the two sides... (*Interruptions*) Please allow me to complete. Everyone of you have spoken. I will not take more than two minutes.

MR. SPEAKER: Please carry on.

SHRI PRANAB MUKHERJEE: What was the response of the Chinese side? This fact should be known to us. It is not like that as if this has happened for the first time. It has happened. We may like it or we may not like it. But unfortunately, this has happened. This happened on 24th of July 2003. The Chinese Spokesperson of the Foreign Office stated that Indian people had crossed the Eastern sector of LoC in Arunachal Pradesh and not his forces, that means Chinese forces.

Then he further said that we have noted the relevant report; China does not recognize the so-called Arunachal Pradesh. This is not acceptable to us. We have never accepted this position. Even on the floor of the Parliament, the then Minister of State, Shri Digvijay Singh, had stated; it has been repeated by my colleague Shri E. Ahamed while replying to the questions on the floor of the Parliament that 90,000 square kilometres are illegally occupied by the other side, the Chinese side. But, at the same time, it is equally a fact that during that speech of Shri Vajpayee it was decided that the two sides will designate special representatives and they will work out the mechanism through which the border disputes could be resolved. The fact of the matter is that similar agreement of 1914 has not

been accepted by China. We have also not accepted the position that McMahon Line is not irrelevant. This is the stated position of both sides. But, at the same time, over the years, we have built up the relations. And the hon. Members will recognize that Sikkim became an integral part of India in 1974. But, till 2005, it was not officially recognized by China as an integral part of India. During the visit of the Chinese Prime Minister in April 2005 it was agreed upon; the ground was prepared. I must give credit to the NDA Government that when we were talking of where the border post should be there, the offer was that the border post should be at Kalimpong on the eastern sector. In 1995 when I was the Foreign Minister, I said: "No, Kalimpong cannot be the border; it should be Nathu La." Accepting Nathu La means accepting Sikkim as an integral part of India. Ordinarily, it was recognized during the visit of the Chinese Prime Minister in 2005. In diplomacy, these are the processes in which we go. Somebody begins; somebody else also carries it on. Therefore, the question of Arunachal being an integral part of India – so far as we are concerned, so far as this Parliament is concerned – is not a debatable issue at all. The resolution is already there. But even then we have proceeded; we have not stood there by passing the resolution that is the resolution, we have not to move any forward. We have moved forward. Ice has been broken. China-India relationship is expanding in trade, commerce, economy and strategic partnership. And the process which began in 2003 –the discussions between the two special representatives – eight rounds of discussions have taken place. Therefore, my most respectful submission to the hon. Members would be that let us not just create a situation which will unnecessarily heighten the tension. Let us allow the process to continue. So far as Arunachal is concerned, I think I have made it quite clear that it is an integral part of India and it is going to be so¹.

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1. On December 7 in answering a question in the Rajya Sabha on the same subject the External Affairs Minister again rejected the Chinese Ambassador's contention on Arunachal Pradesh and said: "Government has unambiguously rejected the Chinese contention, stating that Arunachal Pradesh is an integral part of India. The matter has also been taken up immediately with the Chinese Government and India's disappointment and concern over the remarks made by the Chinese Ambassador clearly conveyed. This position has also been reiterated on the floor of the House." Giving details of the Chinese claim on Indian territory in the Rajya Sabha on December 14 the External Affairs Minister said that "China illegally claims approximately 90,000 sq. kms of Indian territory in the Eastern Sector. In the Middle Sector China illegally claims about 2000 sq. kms of Indian territory." He further told the House that "China continues to be in illegal occupation of approximately 38,000 sq. kms in the Indian State of Jammu and Kashmir. In addition, under the so-called Sino-Pakistan Boundary Agreement of 1963, Pakistan illegally ceded 5,180 sq. kms of Indian territory in Pakistan Occupied Kashmir to China."

227. Suo Motu Statement by External Affairs Minister Pranab Mukherjee in Rajya Sabha on 'Chinese President's visit to India'.

New Delhi, November 28, 2006.

President Hu Jintao of China paid a State visit to India from November 20-23, 2006. Both Governments attached great importance to this visit and made careful preparations. This was the first visit by a Chinese President to India since President Jiang Zemin's visit in November-December 1996. The visit was seen as imparting even greater dynamism to the on-going high-level exchanges between the two countries.

President Hu had a productive and comprehensive exchange of views with our leaders on bilateral relations and regional and international issues of common interest. The visit highlighted the resolve of both countries to work towards the further consolidation and diversification of India-China relations. Hon'ble Members would recall that during the visit of the Chinese Premier to India last year, we had decided to establish a strategic and cooperative partnership. President Hu's visit offered us the opportunity to add greater content and meaning to this partnership. This was reflected in the "ten-pronged strategy" embodied in the Joint Declaration that was issued on behalf of Prime Minister and the Chinese President during the visit. A copy of the Joint Declaration is placed on the Table of the House. A synopsis of thirteen agreements signed during the visit is also being placed on the Table of the House. The range of these agreements reflects the evolving multi-dimensional nature of our relationship with China.

During the interactions, leadership on both sides reviewed recent developments in bilateral relations and expressed satisfaction over the sustained positive momentum in the relationship. Both Prime Minister and President Hu noted that India-China relations had transcended their bilateral dimension and acquired a global and strategic significance. President Hu characterised the present phase in the relationship as marking a "new historic beginning" and conveyed that his visit would send out a strong signal to the international community that India and China were willing to work hand in hand for long-term friendship and common development. He stressed that China had taken a "long-term and strategic view" of the relationship with India, desiring to build a strong and cooperative relationship based on shared and common interests. Prime Minister also highlighted

that he would like India and China to work together as good neighbours and partners and to develop together in a mutually supportive manner while remaining sensitive to each other's concerns and aspirations. Both leaders agreed on the need for sustained efforts to exploit the full potential of strategic partnership and to resolve outstanding issues in a focussed, sincere and problem-solving manner.

A number of initiatives were announced during the visit to consolidate institutional linkages between the two Governments, encourage comprehensive economic engagement, promote trans-border connectivity and cooperation, and enhance science and technology, cultural and people-to-people exchanges. Both sides agreed to hold regular summit level meetings and decided to open new Consulates in Kolkata and Guangzhou. The two sides also decided to set up an expert-level mechanism to discuss interaction and cooperation on the provision of flood season hydrological data, emergency management and other issues regarding trans-border rivers. Economic cooperation emerged as a major thrust area of the visit, with both sides keen to send out a clear message in this regard, reflected in the signing of Bilateral Investment Promotion and Protection Agreement, fixing of trade target of US\$ 40 billion by 2010 and mandating the Joint Task Force already established by the two countries to complete its study on the feasibility and benefits of India-China Regional Trading Arrangement by October 2007. Important understandings were reached for continued expansion of border trade and greater facilitation of Kailash-Mansarovar Yatra. Both sides underlined the need to broadbase the relationship through enhanced people-to-people contacts and cultural ties, taking initiatives such as launching of an "India-China Year of Friendship through Tourism" in 2007 and a five-year programme for exchange of youth delegations.

Prime Minister and the Chinese President exchanged views on the boundary question and expressed satisfaction at the progress made by the Special Representatives. Both leaders agreed that an early resolution of the boundary question would not only advance the basic interests of the two countries, but also invest our strategic partnership with further strength and dynamism, and should therefore be pursued as a strategic objective. They directed the Special Representatives to intensify their work to expeditiously explore the framework of a boundary settlement on the basis of the Agreement on Political Parameters and Guiding Principles signed in April last year. Both sides also expressed the commitment that pending the final settlement of the boundary question, they would maintain peace

and tranquillity in the border areas and expedite the work of clarification and confirmation of the line of actual control.

I am aware of the concerns expressed by Hon'ble Members about remarks made by the Chinese envoy on the eve of the visit about the status of Arunachal Pradesh. As you are also aware, I unambiguously rejected the Chinese contention, stating that Arunachal Pradesh is an integral part of India. Let me also state that the matter was taken up immediately with the Chinese Government through our Ambassador in Beijing and our disappointment and concern over the Chinese statement clearly conveyed.

Prime Minister also had a useful exchange of views with President Hu on regional and multilateral issues. It was noted that as two most populous countries with rapidly developing economies, the development of India and China were important factors in the shaping of future global architecture. The two leaders noted that together India and China could make effective contributions in dealing with global issues of sustainable and equitable development, energy security, peace and prosperity in Asia and in the world, environment protection and fight against terrorism and cross-border crimes. On the issue of the reform of the United Nations Security Council, President Hu Jintao reiterated the assurance given by the Chinese Premier to Prime Minister in April last year that China understands and supports India's aspirations to play a bigger role in the United Nations, including in the Security Council, and that China would be happy to see India succeed in its endeavour to become a Permanent Member of the UN Security Council.

The importance of high-level exchanges and personal involvement of leaders in the development of India-China relations was clearly acknowledged during the visit. President Hu Jintao mentioned that this was his fifth meeting with Prime Minister in the last eighteen months. President Hu invited Prime Minister to visit China next year. Prime Minister has accepted the invitation. The exact timing of the visit will be decided through diplomatic channels.

On the whole, both sides are satisfied with the outcome of the Chinese President's visit to India, which is expected to give a significant boost to our joint efforts to seek an all round development of India-China relations while addressing the outstanding issues in a frank, purposive and proactive manner. The visit represented an important step forward in

the process of developing a cooperative framework of engagement with China, notwithstanding outstanding issues. It highlighted the commitment of the two sides to add greater content to their strategic partnership and to develop an action-oriented template for the future development and diversification of India-China relations. It also offered an opportunity to send out a strong signal to the international community that as good neighbours and partners, there was enough space for India and China to develop together in a mutually supportive manner, while remaining sensitive to each other's concerns and aspirations.

Let me conclude by saying that our policy towards China, which is an important component of our foreign policy, has been characterised by continuity and consensus. We are encouraged by the positive trends in India-China relations and remain hopeful that our continued engagement with China at the highest level will give further impetus to our bilateral relations and speed up the process of resolution of our outstanding differences. In this endeavour, we seek the full support and endorsement of the Parliament.

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FIJI

228. Memorandum of Understanding between the Government of the Republic of India and Government of the Republic of the Fiji Islands on Development Cooperation.

Nadi (Fiji), October 26, 2006.

The Government of the Republic of India and the Government of the Republic of the Fiji Islands, hereinafter referred to as “the parties”;

DESIRING to enhance the existing friendly relations between the parties through development cooperation;

RECOGNISING the advantages to be derived by the parties, respective governments and peoples from such development cooperation;

FURTHER RECOGNISING the positive impact of such development cooperation in the political, economic and social sectors of the two countries and their contribution to poverty alleviation and sustainable economic growth;

PURSUANT to existing laws and regulations governing such matters in the countries of the respective parties;

HAVE reached the following understanding:

Article 1

Purpose and Principles

1. The purpose of this Memorandum is to provide a framework upon which the initial development cooperation assistance between the parties may be undertaken.
2. The principles that will govern the conduct of the parties towards one another shall be that of mutual respect for each other’s national sovereignty and integrity and respect for the rule of law and good governance.

Article 2

Areas for Development Cooperation

1. The parties agree that the sectors of their economies to be covered by this Memorandum shall include the following:

1. Human Resource Development
 2. Civil Aviation
 3. Tourism
 4. Maritime Transport
 5. Agricultural, fisheries and forests sector including "Industrial and Municipal Waste Management"
 6. Water Resource and Waste Management
 7. Sports
 8. Cultural Exchanges
 9. Small and Medium Enterprise Sector
 10. Specialist training in Trade Negotiations and Diplomacy
2. Notwithstanding the areas enumerated above, the parties may through an Exchange of Letters between the Minister of Foreign Affairs of the Fiji Islands and the Minister of External Affairs of India, widen the coverage of this framework to include other sectors not specifically referred in Article 2 paragraph 1 above.

Article 3 Funding and Personnel

All cooperative activities pursuant to this Memorandum are to be undertaken subject to availability of funds and personnel.

Article 4 Executing Agency

The parties shall advise each other through the normal diplomatic channel of the two countries of the Executing Agency for activities undertaken under this Memorandum. The notice shall be submitted within 21 days from the date of signature of this instrument.

Article 5 Implementation

1. Activities undertaken under this Memorandum may be implemented through the development of specific arrangements, programs or

projects between the appropriate institutions or organizations, including private sector organizations of the parties;

- 2. The parties may agree to set up Working Groups or such other mechanism that would better facilitate the achievement of the overall purpose and objective of the Memorandum.

**Article 6
Amendment**

This Memorandum may be amended at any time by mutual consultation and consent. Such amendment shall come into force at a time agreed to by the parties.

**Article 7
Entry into Force and Duration**

- 1. This Memorandum shall enter into force from the date of its signing by both the parties.
- 2. The Memorandum shall remain in force initially for a period of three(3) years and it may be extended by mutual consent for subsequent periods of three(3) years at a time, unless it is terminated by either Party at any time by giving a written notice of its intention to the other party, at least three months in advance.

IN WITNESS WHEREOF the undersigned being duly authorized thereto by their respective governments, have signed this Memorandum of Understanding.

DONE at Nadi, on this 26th day of October in the year two thousand and six, in two originals.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF THE FIJI ISLANDS**

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA**

**(Kaliopate Tavola)
Minister for Foreign Affairs and
External Trade**

**(E. Ahamed)
Minister of State for
External Affairs**

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229. Press Release of the Ministry of External Affairs on the visit of Minister of State E. Ahamed to Fiji.

New Delhi, October, 27, 2006.

1. The Minister of State for External Affairs, Mr E Ahamed visited Fiji from October 25-27, 2006 to participate in the Post-Forum Dialogue (PFD) Partners' Meeting held after the conclusion of the Pacific Islands Forum Meeting. The PFD meeting was held on the forenoon of October 27, 2006 in Nadi.
2. The Pacific Islands Forum delegation was led by the Fijian Minister of Tourism and Transport Hon. Tomasi Veutilovoni. Other members of the Forum delegation included the Minister of State for Foreign Affairs Palau, Hon. Temmy Shmull and the Foreign Minister of Nauru Hon. David Adeang.
3. The Minister of State for External Affairs, Mr. E. Ahamed was assisted by India's High Commissioner to Fiji, Mr. Ajay Singh, Joint Secretary (South) in the Ministry of External Affairs, Mr. Biren Nanda, Counsellor in the High Commission of India, Suva, Mr. Anil Anand, and Deputy Secretary (South) in the Ministry of External Affairs, Mr. Avinash Pandey.
4. During the discussions in the PFD meeting, a range of topics related to India's cooperation and assistance to Pacific Island countries were discussed. The PIF delegation gave an introduction in to the Pacific Plan and the priorities under the Plan. The Indian delegation commended the objectives of the Pacific Plan and reiterated its commitment to the Pacific Islands countries to assist with the realization of its objectives. Other topics discussed included SMEs and Private Sector Development, WTO and the problems of small economies, the review of the Pacific Plan and review of the Post-Forum Dialogue.
5. The Indian delegation gave a detailed presentation on India's assistance to the developing countries in capacity building and training through the ITEC program. A presentation was also given on India's assistance to Pacific Island countries. The Minister of State for External Affairs, Mr. E. Ahamed also unveiled India's 'Pacific Island Country Assistance Initiative' during the meeting. Under this initiative, India has offered grant aid amounting to US \$ 100,000 to each of

the 14 Pacific Islands countries. India will organize a workshop on sustainable development, waste management and water conservation and renewable energy in Suva; training for diplomats in Pacific Islands countries at the Foreign Service Institute in New Delhi; training for officials of Pacific Island countries in SME development in India and scholarships for students of Pacific Island countries for pursuing under-graduate/post-graduate studies in India.

6. Minister of State, Mr. E. Ahamed also paid a bilateral visit to Fiji concurrently with the Post-Forum Dialogue. During this part of the visit, he called on the Vice-President, H.E. Ratu Joni Madraiwiwi, the Prime Minister, Hon. Laisenia Qarase and held bilateral discussions with the Foreign Minister, Hon. Kaliopate Tavola.
7. During the discussions with Fijian dignitaries, there was a comprehensive review of bilateral relations. Both sides expressed satisfaction at the development of bilateral relations particularly since the successful visit of Prime Minister Laisenia Qarase to India in October 2005. It was agreed to further enhance bilateral cooperation in a number of fields including trade and investment, defense and security cooperation, healthcare, IT, agriculture, coconut cultivation, rice cultivation, water resources and tourism.
8. Foreign Minister Mr. Kaliopate Tavola and Minister of State Mr. E. Ahamed signed a Development Cooperation Agreement during their meeting on October 26, 2006. The agreement envisages furthering cooperation between the two countries in various fields including health, tourism, agriculture, civil aviation, water resources, sustainable development, IT and other areas.
9. The visit of Minister of State for External Affairs, Mr. E. Ahamed to Fiji for the Post-Forum Dialogue and for bilateral discussions with leaders of the Republic of Fiji Islands further strengthened India's relations with Fiji and contributed to the deepening of our dialogue partnership with the Pacific Island countries.

230. Response of Official Spokesperson to questions on the situation in Fiji.

New Delhi, December 6, 2006.

In response to questions on the situation in Fiji, the Official Spokesperson said: "The situation in Fiji¹ is calm and all personnel of the High Commission of India in Suva and their family members are safe. People of Indian origin in Fiji are safe and going about their daily lives in a normal manner."

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1. The spokesperson was referring to the situation created by a military coup in the country in which the Military Commander Frank Bainimara seized control of the country and assumed the powers of the President and replaced premier Laisenia Qarase who was reportedly placed under house arrest.

JAPAN

231. Joint Press Release issued at the end of the visit of Japanese Foreign Minister Taro Aso.

New Delhi, January 4, 2006.

The Minister for Foreign Affairs of Japan, H.E. Mr. Taro Aso, accompanied by a high-level delegation, is paying an official visit to India on January 3-4, 2006. India is the first Asian country Foreign Minister Aso is visiting for bilateral consultations. The visiting Minister held delegation-level talks with Minister of State for External Affairs, Shri E. Ahamed at Hyderabad House this afternoon (January 4). He had meetings with Shri Kamal Nath, Minister of Commerce and Industry and Shri M.K. Narayanan, National Security Adviser. Later in the day, he will be calling on the President of India, H.E. Dr. A.P.J. Abdul Kalam.

During his talks with the Minister of State for External Affairs, the two Ministers made a positive assessment of the present status of bilateral relations and noted with satisfaction that the Global Partnership between India and Japan has acquired a new dynamism and momentum, especially since the landmark visit of Prime Minister Junichiro Koizumi to India in April 2005¹. They reiterated the principles and understandings contained in the Joint Statement signed by the Prime Ministers in New Delhi on April 29, 2005, and agreed on the following to further promote the Global Partnership, proceeding from a strategic perspective:

I. High-level Visits : In response to an invitation from Prime Minister Koizumi, Prime Minister of India is expected to visit Japan at an early, mutually convenient date. Regular ministerial-level exchanges, including between Foreign, Defence, Finance, Trade, and ICT Ministers, will continue.

II. Strategic Dialogue: Recalling that during Prime Minister Koizumi's visit to India, the two Prime Ministers had decided to enhance the strategic

1. India-Japan relations were significantly strengthened since the visit of Prime Minister Junichiro Koizumi to India in April 2005, when it was agreed to impart a new strategic orientation to the India-Japan Global Partnership and launch an "Eight-fold Initiative", encompassing enhanced political and economic engagement, stepped-up security dialogue and cooperation, collaboration in science and technology, cultural, academic and people-to-people contacts, cooperation in ushering in a new Asian era, and cooperation at regional and multilateral forums.

focus of the India-Japan Global Partnership, the Ministers agreed to conduct henceforth Foreign Minister-level talks with a strategic perspective. Foreign Minister Aso invited the Minister of External Affairs of India to visit Japan for such talks. The existing Foreign Office Consultations at Secretary/Deputy Minister-level will be utilized to prepare for the Foreign Minister-level dialogue. The High Level Strategic Dialogue, agreed upon during Prime Minister Koizumi's visit, will also be operationalised as soon as possible.

III. CEPA/EPA: The two sides agreed to earnestly consider the possibility of a comprehensive economic partnership agreement in the context of the ongoing work of the India-Japan Joint Study Group, which is expected to submit its report by June 2006.

IV. ICT Cooperation: Noting the positive outcome of the first ICT Forum held in New Delhi in August 2005, the two sides agreed that the immense potential for cooperation in this sector will be fully tapped, including through early meetings of the Working Groups of the Forum.

V. Cooperation in Energy Sector: The Indian side expressed its appreciation for Japan's support for India's participation in ITER. The two sides agreed to step up cooperation in the energy sector, including through timely implementation of the Plan of Action agreed upon between the Minister of Petroleum and Natural Gas of India and the Minister of Economy, Trade and Industry of Japan in Tokyo on September 29, 2005.

VI. Science and Technology Initiative: The two sides agreed to hold joint workshops to identify collaboration projects to be undertaken as part of the "Science and Technology Initiative", announced by the two Prime Ministers in April 2005. The relevant modalities in this regard will be finalised through mutual consultations, in pursuance of the discussions held in the 7th Meeting of India-Japan Joint Committee on Science and Technology in New Delhi in November 2005.

VII. ODA: Foreign Minister Taro Aso conveyed that India will remain the largest recipient of the Japanese ODA loan in the current fiscal year for the third consecutive year. The Indian side expressed its appreciation for the Japanese assistance.¹

1. There has also been a marked jump in Japanese FII inflows into India recently. India has been the largest recipient of Japanese Official Development Assistance [ODA] during the last two fiscal years. In 2004-05, the Japanese ODA to India amounted to Rs.5,600/- crores.

VIII. Freight Corridors Project: In pursuance of the understanding reached during Prime Minister Koizumi's visit regarding dedicated multimodal freight corridors with computerized train control system on Mumbai-Delhi and Delhi-Howrah routes, the two sides agreed, through an exchange of Notes, that the feasibility study survey for the project will be carried out by the Japan International Cooperation Agency.

IX. Human Exchanges: Foreign Minister Taro Aso conveyed the decision of the Japanese side to launch the "Aso Programme" which will involve exchange of 4000 persons over the next three years in the fields of Japanese language, technology, youth interaction, etc., with Japanese funding and support. The India side expressed its appreciation for this initiative which will promote people-to-people contacts. The two sides also agreed to encourage further exchanges at local levels.

X. Visas: Noting the recent progress in the relaxation of visa procedures, including through issuance of multiple-entry visas valid for three years to Indian businessmen, the Ministers directed that consultations be held at an early date to consider further facilitation of visa procedures.

XI. Security Dialogue and Cooperation: The Ministers agreed to further strengthen dialogue and exchanges between the two countries in the security and defence fields. The Defence Minister of India is expected to pay an official visit to Japan later this year. The visit will be preceded by the next round of Comprehensive Security Dialogue and Military-to-Military Talks.

XII. Disarmament and Non-proliferation: The Ministers agreed to launch a Joint Secretary/Director General-level Annual Dialogue on Disarmament and Non-proliferation, with the objective of promoting commonalities and enlarging areas of convergence for mutual cooperation in a constructive manner, thereby contributing to the advancement of overall bilateral relations. This Dialogue will also address the issues relating to high technology trade.

XIII. East Asia Summit: Noting the positive outcome of the First EAS, the Ministers agreed that the EAS should play a significant role in the progressive realization of the vision of an East Asian community. India and Japan will continue their close consultation and cooperation in this regard.

XIV. UN Reforms: The Ministers reaffirmed the need for urgent and comprehensive reform of the United Nations, including the reform and expansion of the UN Security Council, in both permanent and non-

permanent categories, which is central to the UN reform process, within the current session of the UN General Assembly. They reiterated that the coming together of the G-4 (India, Japan, Brazil and Germany) has been a significant development, and that the G-4, in their consultations, are seeking to garner as much support as possible from other member States in order to realize the reform of the Security Council.

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232. Joint Statement issued on the visit of Defence Minister Pranab Mukherjee to Japan.

Tokyo, May 25, 2006.

1. H.E. Mr. Pranab Mukherjee, Minister of Defence of the Republic of India, is currently paying an official visit to Japan from May 25 to May 28, 2006 at the invitation of H.E. Mr. Fukushiro Nukaga, Minister of State for Defense of Japan. H.E. Mr. Pranab Mukherjee held in depth discussions in Tokyo on May 25, 2006 with H.E. Mr. Fukushiro Nukaga. The discussions covered bilateral, regional and international issues of mutual interest, and focused in particular on deepening the dialogue and cooperation between India and Japan in the areas of security and defence cooperation.
2. The two Ministers recalled that during the official visit to India of H.E. Mr. Junichiro Koizumi, the Prime Minister of Japan in April 2005, the two Prime Ministers had decided to reinforce the strategic focus of the Global Partnership between India and Japan and launched an Eight-fold Initiative in order to realize its full potential.
3. The two Ministers noted that the two countries are partners in peace, with a deep interest in promoting the security, stability and prosperity in Asia and in the world at large as well as in tackling regional and global security challenges. The Ministers reaffirmed their commitment to implement fully the decisions taken by the Prime Ministers to further develop the dialogue and exchanges between the two countries in the security and defence fields, proceeding from the broader perspective of the Global Partnership and building on strategic convergences.
4. The two Ministers discussed the emerging security environment in Asia and at the global level that have challenged both countries through

new and emerging threats including, inter alia: trans-national terrorism, violent extremism, proliferation of weapons of mass destruction and related materials, equipment, technologies and means of delivery; and threat to maritime traffic. The two Ministers recognized that in today's era of globalization and inter-dependence among nations, such new and non-traditional threats affect the security of nations worldwide, including India and Japan. They also exchanged views on traditional security challenges of mutual concern and interest that have a bearing on Asian and global security.

5. Based on this understanding of the regional and international security environment, the two Ministers reaffirmed that both governments need to work closely together to pursue common objectives through their individual efforts, joint initiatives and cooperation in appropriate regional and international fora as the two countries are committed to democratic values, human rights, pluralism, open society and the rule of law which provide the foundation of their partnership. These objectives include, inter alia:
 - (i) Maintenance and promotion of peace and stability in Asia and at the global level, creating an international climate conducive to the continued economic growth and development;
 - (ii) Promoting confidence building measures in Asia, including promotion of transparency and frank exchange of views among defence authorities;
 - (iii) Countering terrorism and violent extremism;
 - (iv) Preventing the spread of weapons of mass destruction and related materials, equipment, technologies and means of delivery;
 - (v) Contributing to the safety and stability of regional maritime traffic;
 - (vi) Promoting international cooperation in the areas of disaster management and provision of relief operations;
 - (vii) Developing cooperative relationships with nations of Asia and in the world; and
 - (viii) Promoting the development of various regional cooperation mechanisms, in an open and inclusive manner.
6. The two Ministers expressed their determination to pursue co-operation, inter alia, in the following areas related to defence and security:

- (i) Leadership, policy officials and joint staff level exchanges between the defence establishments to enhance mutual understanding and to promote wide range cooperation in the defence and security field;
 - (ii) Service-to-service exchanges including capacity building between the defence establishments at various levels, which may lead to cooperation in disaster relief, maritime security or other areas of mutual interest;
 - (iii) Exchange of information, assessments, experiences and lessons learnt on a regular basis in tackling of regional and global issues, including international terrorism, proliferation of weapons of mass destruction and their means of delivery, disaster relief and peacekeeping operations, at both the political and the operational level;
 - (iv) Promotion of cooperation in areas of training and education;
 - (v) Promotion of cooperation in areas of strategic and security studies;
 - (vi) Promotion of cooperation in technical areas; and
 - (vii) Expanding interaction and cooperation with other nations to promote regional and global security, peace and stability, including through closer collaboration in the relevant regional and multilateral framework.
7. With regard to the scope of cooperation identified above, the two Ministers directed that the mechanisms of implementation may include, inter alia, the following:
- (i) Holding of meetings between the Defence Minister of India and the Minister of State for Defense of Japan at regular intervals, alternately in the two capitals or elsewhere, also making use of opportunities at regional and multilateral meetings;
 - (ii) Holding of a Defence Policy Dialogue at the Defence Secretary/Administrative Vice Minister level from time to time, alternately in India and Japan;
 - (iii) Holding of regular Comprehensive Security Dialogue and Military-to-Military Talks, alternately in India and Japan;
 - (iv) Regular exchange of visits at the Chiefs of Staff and Joint Staff level and Staff level of each service.

- (v) Exchange of ship visits between the Indian Navy and the Japan Maritime Self Defence Force;
- (vi) Holding of goodwill exercises between the Indian Navy and the Japan Maritime Self Defence Force, with progressively advanced nature that takes account of future possible exercises in areas of mutual interest;
- (vii) Inviting officials of the other side to witness designated military activities;
- (viii) Mutual exchange of student officers (including civilian officials) and researchers from defence establishments for various courses (such courses may be identified based on areas of interest of each country); and
- (ix) Participating in security conferences and seminars hosted by their defence establishments, and cooperating in the relevant existing regional and multilateral fora.

8. Both sides concurred that :-

- (i) Areas of cooperation are not limited to those mentioned above, and that they will endeavour to identify other areas of cooperation relating to defence and security; and
- (ii) They will also seek to develop an annual calendar of cooperation and exchanges in advance.

9. The two Ministers reiterated that all activities under this Joint Statement will be conducted in accordance with the relevant laws and regulations and national policies of each country, their international commitments, and on the basis of equality, reciprocity and mutual benefit.

10. H.E. Mr. Pranab Mukherjee, Minister of Defence of India, thanked the Government of Japan for the courtesy and hospitality extended to him and his delegation during the visit to Japan. He extended a cordial invitation to H.E. Mr. Fukushima Nukaga, Minister of State for Defense of Japan, to visit India. The invitation was accepted with appreciation. The dates of the visit will be decided through diplomatic channels.

Pranab Mukherjee
Minister of Defence

Fukushiro Nukaga
Minister of State for Defence

233. Joint Press Release issued on the meeting between Defence Minister Pranab Mukherjee and Japanese Minister of Land, Infrastructure and Transport Kazuo Kitagawa.

Tokyo, May 26, 2006.

H.E. Mr. Pranab Mukherjee, Minister of Defence of India, currently on official visit to Japan held discussions with H.E. Mr. Kazuo Kitagawa, Minister of Land, Infrastructure and Transport of Japan on 26th May 2006. Their discussions covered all issues of mutual interest, with particular focus on maritime security and Coast Guard cooperation.

The Ministers noted that India and Japan share a common understanding on the issue of maritime safety and security in the areas of mutual interest as well as in the interest of Asia and the international community. Both sides reaffirmed the desire to enhance cooperation between the two countries and on measures to tackle transnational organized crimes at sea such as piracy, armed robbery, illegal arms and drug trafficking, illegal migration, cooperation in search and rescue operations, and protection of marine environment.

The Ministers expressed their satisfaction at the close cooperation between the two Coast Guards and directed that the Coast Guards should enhance their cooperation, including through: holding of annual Coast Guards' talks; regular exchange of visits; exchange of Coast Guard ship visits; holding of combined exercises for anti-piracy, search and rescue, disaster relief and other areas of mutual interest.

The Ministers shared the views that, in the future, further possibility of interaction between the two Coast Guards will be considered. In order to further enhance and strengthen cooperation between the Coast Guards of India and Japan, the Ministers agreed on early finalization of the proposed Memorandum of Cooperation between the two Coast Guards. The Minister of Defence of India thanked the Minister of Land, Infrastructure and Transport of Japan for receiving him warmly. He extended a cordial invitation to H.E. Mr. Kazuo Kitagawa, Minister of Land, Infrastructure and Transport to visit India. In response to the invitation, the Minister of Land, Infrastructure and Transport is expected to visit India at a mutually convenient date.

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234. Press Conference of Defence Minister Pranab Mukherjee after his return from the tour of China and Japan.**New Delhi, June 13, 2006.**

Please see Document No. 211

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235. Briefing points by Official Spokesperson on India-Japan Foreign Office Consultations.**New Delhi, November 13, 2006.**

1. India Japan Foreign Office consultations were held this morning. Indian delegation was led by Foreign Secretary, Shri Shivshankar Menon, Japanese delegation was led by Deputy Minister, Ministry of Foreign Affairs, Mr. Tsuneo Nishida. The consultations were also continued over a working lunch.
2. The focus of the discussions was on preparing the agenda for Prime Minister Dr. Manmohan Singh's visit to Japan. Follow-up work on several issues will now continue.
3. The Foreign Office consultations also included detailed review of bilateral relations, both political and economic, with the purpose of adding more substance and depth to the bilateral global partnership. Regional issues as well as global challenges were also discussed.
4. Mr. Nishida is also calling on EAM Shri Pranab Mukherjee and Special Envoy to PM Shri Shyam Saran.

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236. Special Media Briefing by Foreign Secretary Shivshankar Menon and Secretary(East) Ministry of External Affairs N. Ravi on the visit of Prime Minister Dr. Manmohan Singh to Japan and Philippines.

New Delhi, December 6, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good evening ladies and gentlemen. We have the Foreign Secretary here who will brief us first on the Prime Minister's visit to Japan. Thereafter, we will request Secretary (East) to brief us on the India-ASEAN and the East-Asia Summits¹ leg of the Prime Minister's visit. Then we will take a few questions.

FOREIGN SECRETARY (SHRI SHIVSHANKAR MENON): Good evening ladies and gentlemen. As you know, the Prime Minister accompanied by Smt. Gursharan Kaur, will be paying an official visit to Japan from December 13th to 16th, 2006 at the invitation of Prime Minister Shinzo Abe. He will be arriving in Tokyo from Cebu in the evening of December 13th. There will be an official welcome ceremony on December 14th. Prime Minister and Shrimati Gursharan Kaur will be received in an audience by Their Majesties the Emperor and the Empress of Japan in the afternoon of December 14th. Official talks between the two Prime Ministers have been scheduled for December 15th, followed by a Joint Press Meeting and an Official Banquet hosted by Prime Minister Abe.

In a singular honour, the Prime Minister has been invited to address a joint session of the Diet on the afternoon of 14th December. He will be inaugurating the Festival of India in Japan in the same evening, when the two Prime Ministers are also expected to unveil the joint logo of the India-Japan Friendship Year 2007. Prime Minister will be addressing the Business Luncheon hosted by Japanese Apex Chambers in association with India Apex Chambers and IBEF on the 15th.

In addition, Prime Minister will be meeting several Japanese dignitaries, including the former Prime Minister Yoshiro Mori, senior Cabinet Ministers, and the President of the Japan-India Parliamentary Friendship League, Dr. Taro Nakayama. He will depart from Tokyo for New Delhi just before noon on December 16th. As you can see, he has a very full schedule during his stay in Japan.

1. The two summits in Philippines were postponed due to weather conditions in that country.

The last visit of an Indian Prime Minister to Japan was five years ago in December 2001, when Prime Minister Shri Atal Bihari Vajpayee visited that country. In April 2005, Prime Minister Junichiro Koizumi visited India. Our Prime Minister's visit now to Japan is taking place against the backdrop of a marked upturn in India-Japan relations, particularly since Prime Minister Koizumi's visit last year.

We attach great importance to our relations with Japan which is a friendly nation and the second largest economy in the world. Japan is the focal point in our 'Look-East Policy'. We believe that our bilateral relations with Japan are now poised to enter an even more vibrant and dynamic phase, based on converging long-term strategic, political and economic interests and our shared desire to enhance the relationship.

I thought I would highlight some important developments and trends in India-Japan relations.

You would recall that during Prime Minister Koizumi's visit last year, the two sides agreed to reinforce the strategic focus of the India-Japan Global Partnership established in 2000 during Prime Minister Mori's visit to India, and to put in place an ambitious "Eight-fold Initiative" to bring about a qualitative shift in the relationship. The Koizumi visit represented a new beginning in India-Japan relations. The extent of the understandings reached and their subsequent implementation have confirmed that there is a shared desire to forge an overdue partnership between these two important Asian countries. India and Japan are now taking a long-term and strategic view of their relationship.

We believe that there is a positive political ambience and cross-party consensus in both countries on the continued strength of India-Japan relations. The bilateral relationship is also benefiting from strong personal commitment on the part of the leaders of the two countries to take it forward. Prime Minister Shinzo Abe has publicly articulated his personal commitment to have stronger relations with India. He has said on more than one occasion, "Japan-India relationship is blessed with the largest potential for future development". Our Prime Minister fully reciprocates these sentiments. He has been associated with Japan for well over two decades now and is taking a personal interest in moving towards a transformation of this important relationship.

The dynamic growth of this relationship is reflected in the number of high-level exchanges that have taken place since last year. Our senior

Ministers including Defence Minister, Finance Minister, Commerce Minister have visited Japan. Likewise, there have been a large number ministerial visits from Japan to India including virtually all the Ministers holding key economic portfolios. There have been similarly enhanced exchanges of Parliamentary delegations and interactions at provincial and official level. There is a parallel process of business and industry in both countries taking note of the opportunities that recent economic developments in India have created for them. That has led to a very sharp increase in exchange of business delegations.

Indeed a key driving force in the relationship now is a shared desire to move towards a comprehensive economic engagement. Bilateral trade in 2005-06 showed signs of growth but remains modest at about six billion dollars last year. Japan is the third largest investor in India with cumulative investment totaling US \$2.1 billion. A number of new FDI ventures are on the anvil in the areas of petrochemicals, automobiles, auto components, pharmaceuticals and the financial sector. There is also growing interest among Japanese financial institutions in portfolio investment in India, with the flow of FDI funds from Japan to India estimated at over US\$ 5 billion since last year. Both sides, however, realise that the present levels of economic and commercial interaction are way below potential. Both sides are working together to try and enhance the economic content of the relationship, taking advantage of the recommendations submitted by the Joint Study Group to the Prime Ministers of the two countries in July this year.

India today is the largest recipient of Japanese ODA, which we greatly appreciate. The Delhi Metro is a fine example of India-Japan partnership. We are working together on several other projects including a Multimodal Dedicated Freight Corridor between Mumbai and Delhi, and Delhi and Howrah.

Defence and security has also emerged as another important area in the relationship. The Joint Statement signed during the then Raksha Mantri's visit to Japan in May this year has put in place a structured framework for a dialogue for cooperation and exchanges in this field. Joint exercises are being conducted annually by the Coast Guards of the two countries and the Memorandum of Cooperation between the Coast Guards was concluded last month.

We are also witnessing an impressive increase in the areas of functional cooperation, enhanced S&T exchanges and the strengthening

of cultural links. I think both sides recognize the need to step up the present level of human exchanges.

India and Japan are also seeking to upgrade their cooperation and coordination on UN reforms and several other regional, multilateral and global issues. We both have similar visions of an emerging Asian economic architecture.

While looking at the possible outcomes of the Prime Minister's forthcoming visit to Japan, we have to bear in mind that India-Japan relations today are marked by positive trends - some of which I will try to give you an idea of – and that both sides are seeking to further consolidate those strengths and to raise the relationship to a new level of partnership. We are working to utilize the visit to further reinforce the strategic orientation of the India-Japan global partnership to move towards a comprehensive economic engagement and to bring about a quantum increase in people-to-people exchanges and seeking expanded cooperation in science and technology, energy, and a host of other fields.

Simultaneously, we both recognize that India and Japan will be two key anchors in the new emerging Asian era and that partnership has important regional and global dimensions. Both sides have made extensive preparations for this visit and we believe that it will have substantive outcome.

Thank you. I will be happy to answer questions. Perhaps we will first listen to Mr. Ravi about Cebu.

SECRETARY(EAST) (SHRI N. RAVI): Good evening to all of you. Ahead of Prime Minister and Mrs. Gursharan Kaur's visit to Japan, Prime Minister would be visiting the city of Cebu for the India-ASEAN and India-East Asian Summit.

The Prime Minister would be reaching Cebu sometime in the evening of 11th of December. On 12th December, there would be some bilateral meetings between the Prime Minister and leaders of other countries. These are being fixed for the first half of the day. From about three o'clock till about six in the evening, there is the Fifth India-ASEAN Summit meeting. The day rounds off with the dinner hosted by President Arroyo for all the Leaders.

The agenda for the Fifth India-ASEAN Summit is - "Review of India-ASEAN Relations – the Future Directions". As far as our expectations from the India-ASEAN Summit are concerned, we would be reviewing ongoing

cooperation. To give you an example, we have set up what are called Entrepreneurship Development Centres in three of the CLMV countries, namely, Laos followed by Cambodia and Vietnam. The one in Myanmar is under consideration and it is going to move forward. We are also moving forward on setting up English Language Training Centres in these CLMV countries. These countries are slightly less developed as compared to the other six members of the ASEAN. CLMV stands for Cambodia, Laos, Myanmar and Vietnam. The fields that we are covering apart from these two are IT industry and cooperation in entrepreneurship.

In February-March 2007, we are going to hold a Ministerial and Industry forum in India as part of the ongoing cooperation. We are also in the process of training ASEAN diplomats and (holding) other human resource development programmes for trainees coming from ASEAN to India. We would also be reviewing cooperation in sectors such as tourism, transport, infrastructure, science and technology.

Just to refresh your memory, early in November, 6th and 7th to be precise, there was a technology summit which was jointly organized by India and ASEAN countries here in Delhi. We would also be reviewing economic cooperation. Particularly to give you a figure, India-ASEAN trade crossed about 21 billion dollars in 2005-06, which is an increase of nearly 21 per cent over the previous period. The discussion regarding ongoing India-ASEAN free trade negotiations would also continue.

The East-Asia Summit, which would be held on the 13th of December, starts off with a plenary followed by a retreat just for the leaders after which there will be a presentation of a report on East Asia regional, economic and financial situation by the President of the ADB. This will be followed by a lunch and signing of the EA Declaration on energy security. At the last summit held in Kuala Lumpur, President Arroyo of Philippines had mentioned energy security as the main theme for the East Asian Summit which is going to be held in Cebu later this week.

As far as the expectations from the Second East Asia Summit is concerned, we would be taking forward some of the processes that were initiated last year to establish a regional architecture for cooperation and deeper integration and the declaration of energy security. There would be an emphasis on promoting the use of bio-fuels and collective efforts to develop renewable sources of energy and development of energy efficient and low carbon technologies, investment in infrastructure and development of clean coal technologies.

Other areas where we would be considering cooperation are finance, education, this recent phenomenon of avian influenza which had affected some of the South East Asian countries severely, and cooperation in the matter of dealing with natural disasters. This obviously has arisen from the rather tragic experience all the countries had in May 2004 as a result of the tsunami.

I would like to stop here and perhaps (you may address) some questions to Foreign Secretary.

QUESTION: Will any agreements be signed in Japan?

FOREIGN SECRETARY: I think we will let you know when we come to them. Let us do the visit, then we will know the outcome.

QUESTION: Mr. Foreign Secretary, what is Japan's position on civilian nuclear cooperation and on the Indo-US nuclear deal? My question to Mr. Ravi relates to the FTA with ASEAN. The fact that we have not been able to conclude this FTA and given the great promise and the summit-level contacts that we held, does it not sort of detract from the ASEAN-India relationship that we have not been able to conclude these negotiations? And recently there has been a statement from one of the Ministers in Philippines about the possibility of expanding the ASEAN Plus Three arrangement. Would you give us some information whether anything on this line is planned?

FOREIGN SECRETARY: On civilian nuclear cooperation, we have discussed this subject with Japan for sometime, since, as you mentioned, the new frameworks that we are trying to put in place started with the Indo-US agreement starting in July 2005. From then onwards, we have been discussing this subject. It is not a subject we have asked the Japanese to either comment on what we are doing with the US or to commit, because as I said to you earlier, this is an ongoing conversation and as the situation evolves, we keep telling people what we think. We have briefed them, we have told them what we think, we shared views. But I think views are evolving on this subject. I would not like to characterize them today because this I think is still an evolving situation.

SECRETARY (EAST): As regards your first question, I would just like to draw your attention to the growth of India-ASEAN trade since 1990. For example, from 2.3 billion dollars in 1990 we have now reached 23.3 billion dollars. It is a ten-fold increase over a period of 15 years. This simply

goes to show the potential that has existed and it also goes to show the potential that exists on the basis of a free trade agreement how much we can achieve more. The fact that the negotiations are taking long, or are becoming hard, as you have perceived it, is a clear indication of the fact that all the sides want to cover their interest in a manner that will help the growth of this trade which is showing such a great promise. It is to this end that both sides want to keep negotiating and come to a conclusion in such a way that the business and commercial and trading interests on both sides, that is in India and in ASEAN, are given a framework which can really help them to grow for the next fifteen if not next twenty years on the basis of a good agreement that has been arrived at.

As regards the ASEAN Plus Three FTA and the Philippines leader's comment, we must note that the ASEAN Plus Three phenomenon began in the late 90s and they have had a head start as compared to the India-ASEAN FTA. The sheer fact is that the volume of trade exchange between ASEAN and ASEAN Plus Three is much more and in multiples as compared to our own. So, the two actually stand on two different frameworks. I would not like to sort of connect the two and say that whether that is good or whether our FTA is going to be affected by that.

QUESTION: I was asking about the political summit. There is some talk of expanding ASEAN Plus Three arrangement to ASEAN Plus Four arrangement which would include India. Is there anything on that?

SECRETARY (EAST): I have no idea.

QUESTION: Could you tell us something about the status of negotiations on the negative list? Has any figure been given?

SECRETARY (EAST): The negotiations are still going on. It would not be proper for me to reveal the extent of the negative list right now.

QUESTION: Is there a meeting planned between our Prime Minister and the Chinese Premier? Secondly, what are the prospects of an FTA between India and Japan? Could you give a little more detailed idea of this comprehensive economic engagement which you are planning with Japan?

FOREIGN SECRETARY: I think they are working on bilateral meetings in Cebu and one of the meetings they are working on is a meeting between our Prime Minister and the Chinese Prime Minister.

On adding content to the economic relationship, I think the Joint

Task Force has produced a set of recommendations and both systems have processed these recommendations. It is really for the Prime Ministers to decide whether or not they want, which ones they want to move ahead on and in what form they want to start looking at possible agreement, whether we look at them, whether we show them what form, and so on. So, I think to say now would be a little premature. They will have a discussion on this when Prime Minister will go to Japan. By the end of next week I think you will know what sort of agreements we are looking at, what kind of comprehensive economic agreements we are looking at with Japan.

QUESTION: Mr. Menon, what is the status of G4? The Indian quest for permanent membership of the UN Security Council, will this be high on the agenda of talks? My question for Mr. Ravi is, is there any plan for expansion of East Asia summit membership ...?

FOREIGN SECRETARY: On the G4, we continue within the G4 to consult and coordinate. About reform of the UN Security Council, we have just had a meeting actually of our officials in Geneva last month. We plan to meet again in New York before the debate on December 11th in the General Assembly on the reform of the Security Council. Obviously, we as India and the G4 as a group were still talking to other countries, to other groups to gather the largest possible measure of support for our ideas of reform. In this process I think various ideas are being thrown up by other countries, by other groupings. It is our hope that after this process of discussion and the debate in the General Assembly on 11th of December that we would have moved closer towards our goal which as you know is a permanent seat in the UN Security Council. I cannot be more specific at this stage because it is an evolving situation.

SECRETARY (EAST): At present the East Asian Summit comprises 16 countries and as of now we have not heard of any plans of expansion or increasing its membership.

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237. Statement of Prime Minister Dr. Manmohan Singh on departure for Japan.

New Delhi, December 13, 2006.

I am traveling to Tokyo for an official visit to Japan from December 14-16 at the invitation of Prime Minister Shinzo Abe. I see this journey as part of the increasing Eastern orientation of India's foreign policy and our quest for greater engagement with countries in the larger East Asian region.

In the evolving regional and international environment India and Japan increasingly find that their long-term political, economic and strategic interests are converging.

Today our bilateral relations are poised to enter a new and dynamic phase, driven by a shared desire to enhance the bilateral relationship. I will have the opportunity to discuss with Prime Minister Abe ways to reinforce the strategic focus in our global partnership, to move to a more comprehensive economic engagement, and to develop mutually beneficial cooperation over the entire range of the relationship, including security and terrorism, energy, transport, science & technology and culture.

During my visit to Japan, I will also have the honour to call on their Majesties the Emperor and the Empress of Japan. I am scheduled to address a Joint Session of the Diet, which I shall use to reaffirm to the leaders of Japan, India's strong desire for closer relations. I will also inaugurate the "Festival of India in Japan" and participate in an interaction with senior business leaders of Japan.

I look forward to using this visit to elevate India-Japan relations to a qualitatively new level.

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238. MOU between Ministry of Economy, Trade and Industry, Government of Japan (METI) and Ministry of Commerce and Industry for the establishment of the Japan-India Policy Dialogue (JIPD) at the Ministerial Level

Tokyo, December 13, 2006

On December 13th 2006, on the occasion of a formal visit of His Excellency, Dr. Manmohan Singh, Prime Minister of India, to Japan, both Ministers reviewed what they have done so far for wider and deeper bilateral economic relations and expressed satisfaction at the progress made by them including the “Interim Progress Report of the Japan-India Policy Dialogue (JIPD)” agreed on December 1st 2006. Both Ministers also reconfirmed that they will make further efforts to lift the bilateral economic relations to the next level.

For this purpose, both Ministers agreed to create the JIPD at the Ministerial level.

The JIPD at the Ministerial level would closely monitor the progress on the realization of “Delhi-Mumbai Industrial Corridor” and the follow up of “the action plan to promote Japanese investment to India with focus on SMEs”

Both Ministers agreed to hold the first Ministerial meeting of the JIPD at an early date.

Akira Amari
Minister of Economy,
Trade and Industry
Japan

Kamal Nath
Minister of Commerce
and Industry
India

F F F F F

239. Speech of Prime Minister Dr. Manmohan Singh in the Japanese Diet (Parliament).

Tokyo, December 14, 2006.

Hon'ble Mr. Kono Speaker of the House of Representatives Hon'ble Madam Ohgi President of the House of Councillors Your Excellency Prime Minister Shinzo Abe, Hon'ble Members of the House of Representatives And the House of Councillors of the National Diet of Japan, Distinguished leaders and Ladies and Gentlemen I am acutely conscious of the honour you have bestowed upon me by giving me the opportunity to address this august House. It is a reflection of the goodwill and friendship that the people of our two countries have for each other. I bring to you greetings from the Parliament, government and people of India.

Excellencies, Ladies and Gentlemen,

Japan and India are civilisational neighbours. The common heritage of Buddhism is our oldest bond. Our two cultures have been enriched by mutual interaction throughout our history. The Indian Monk, Bodhisena, came to Nara over a thousand years ago to be present at the consecration of Daibutsu at the Todaiji Temple. In more modern times, Tagore and Okakura Tenshin built new bridges of understanding between our two great Asian nations.

The modernisation of Japan based on advances in science and technology since the Meiji Restoration and the energy and spirit with which it rose after the second world war had a deep impact on our first Prime Minister Jawaharlal Nehru. Jawaharlal Nehru wanted India to develop close ties with Japan and learn from its experiences.

It was Prime Minister Kishi who was instrumental in India being the first recipient of Japan's ODA. Today India is the largest recipient of Japanese ODA and we are extremely grateful to the government and people of Japan for this valuable assistance.

Japanese industry has played a valuable role in the development of Indian industries such as automobiles and petrochemicals. Japan was steadfast in its support when India went through a period of deep economic crisis in the early nineties.

In turn, India signed a separate peace treaty with Japan in 1952 in which all war claims against Japan were waived. The principled judgement

of Justice Radha Binod Pal after the War is remembered even today in Japan.

These events reflect the depth of our friendship and the fact that we have stood by each other at critical moments in our history. Each time I visit Japan I am truly inspired by your progress and deeply touched by your generosity. I will never forget my visit here in 1992. It was my first bilateral visit as India's finance minister.

I had then come to express our gratitude for Japan's help in dealing with an unprecedented economic crisis in 1991. That crisis gave us an opportunity to break out of an old mould and embark on a new path to progress through an open economy ready to compete in a globalising world. We looked towards Japan then to learn the virtues of resilience and dedication and how to create opportunity out of adversity.

Today, I return to Japan as the Prime Minister of a new India. Our economy in the past fifteen years has grown at an average growth rate of over 6 percent per annum. In recent years, it has gained further momentum and the growth rate has accelerated to over 8 percent per annum. India's investment rate is now 30 percent of our GDP. As a result of wide-ranging economic reforms initiated by our Government in the early 1990s, India's economy has acquired the resilience to accept the challenge and opportunity provided by economic globalisation and the emergence of a multi-polar world.

As an open society and an open economy, India is on the move. The success of our effort to transform India within the framework of a democratic polity is vital to peace and progress in Asia and the world. Never before in human history have over a billion people tried to banish poverty and modernise their society and economy within the framework of a plural functioning democracy.

We believe that India is now on a sustained path of high growth. We have developed a new model for service-led and technology-driven integration with the global economy. Today India has emerged as an important player in knowledge-based sectors like information technology, biotechnology and pharmaceuticals. Massive investments are being made in the expansion and modernization of physical and social infrastructure consisting of roads, railways, telecommunications, sea and airports. These developments will greatly add to the competitiveness and efficiency of India's manufacturing sector.

It is these developments and the changed international scenario that have I believe created the foundation for our two countries to rapidly develop our ties. I believe the time has come for our two ancient civilizations to build a strong contemporary relationship involving strategic and global partnership that will have a great significance for Asia and I believe for the world as a whole.

We are two major Asian countries who share the universally respected values of freedom, democracy, respect for fundamental rights and commitment to the rule of law. We must draw on these common values and the enormous economic complementarities that exist between us to build a strong partnership of the highest mutual importance.

We also share the belief that both India and Japan must play their rightful and commensurate role in the emerging international order. Strong ties between India and Japan will be a major factor in building an open and inclusive Asia and in enhancing peace and stability in the Asian region and beyond.

Economic ties must be the bedrock of our relationship and a strong push is required in this area. Our trade and investment ties are well below potential. In contrast, India's trade with both China and Korea is booming and grew last year at around 40% with both countries. China's trade with India is nearly three times India's trade with Japan and Korea's trade with India is almost equal to Japan's trade with India.

As I said this must change. To exploit the full potential of our economic cooperation, we need strong efforts by our two governments, business and industry.

Looking to the future I believe that the most important area in which we can build this partnership is the knowledge economy. The structure of our economies, the balance of our comparative advantages and the profile of our populations are compelling reasons for this.

In the field of science and technology we need to accelerate the pace of cooperation in the growth sectors of the future such as nano-technology, bio-technology, life sciences and information and communication technologies. We must exploit synergies in the development of Indian software and Japanese hardware industries.

Any partnership of minds involves greater people-to-people contacts.

I would like to see more students in India learning the Japanese language. Japanese has already been introduced as an optional foreign language in our secondary schools. Tomorrow, Prime Minister Abe and I will be launching the “Investing in the Future Initiative” and we hope to see thousands of our youth learning Japanese in the next few years.

Another area of mutual interest is energy security. Our region as a whole needs the assurance of the security of energy supplies, and the efficient functioning of energy markets.

We have an equal stake in promoting defence cooperation, including for protection of sea-lanes to secure our trade and energy flows.

Like Japan, India sees nuclear power as a viable and clean energy source to meet its growing energy requirements. We seek Japan’s support in helping put in place innovative and forward-looking approaches of the international community to make this possible. At the same time, I would like to affirm that India’s commitment to universal nuclear disarmament remains unshaken.

Terrorism is a common threat to our peace and is threatening the harmony and fabric of our open societies. It is a complex problem that has many faces, many causes and respects no geographical barriers. We cannot prevail in the fight against terrorism unless we work together.

I am very pleased that India and Japan are working together to revitalize and reform the United Nations, and the U.N. Security Council, making them more relevant to our times. Both of us have a vital stake in the enhanced effectiveness of the United Nations and its various organs. To that end we must intensify our cooperation for an orderly and equitable management of the interdependence of nations in an increasingly globalised world we live in.

As the largest and most developed democracies of Asia, we have a mutual stake in each other’s progress and prosperity. We are determined to provide an investment friendly economic environment in India. I invite Japanese companies to expand their presence in India. Prime Minister Abe and I will launch negotiations that will lead to a Comprehensive Economic Partnership Agreement to encourage greater flows of trade, investment and technology between our two countries.

Our partnership has the potential to create an “arc of advantage and prosperity” across Asia, laying the foundation for the creation of an

Asian Economic Community. These hopes and aspirations of an expanded India-Japan partnership will become a reality only if we increase exchanges between our two countries at all levels. We have agreed to establish a high level Energy Dialogue but such fora must be established in many more areas, not least of all between our trade and industry.

Excellencies, Ladies and Gentlemen,

The friendship between people is the cornerstone of any strategic partnership. I am delighted to hear of the popularity of “Odori Maharaja” among young people here. Our children were delighted to see your own “Odori Asimo” – the dancing robot! I believe the number of Indian restaurants in Japan has increased phenomenally. I assure you that sushi and tempura are becoming popular in India!

2007 is the India-Japan Friendship Year and the year of India-Japan Tourism Exchange. We also hope to substantially increase air connectivity between our two countries. I invite young and old Japanese to visit India and see for themselves the many splendours of ancient and modern India.

The idea of a new partnership between Japan and India has found its moment today. I come here to give concrete shape to the idea so that future generations will be able to thank us for the part we are trying to play in making the 21st century an Asian century.

Thank you.

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240. Speech of Prime Minister Dr. Manmohan Singh at the inauguration of the Festival of India in Japan and launch of the India-Japan Friendship Year.

Tokyo, December 14, 2006.

Your Excellency, Prime Minister Shinzo Abe,

Madam Akie Abe, Honourable Ministers and Members of the Diet,
Dr. Karan Singh, President of the Indian Council of Cultural Relations
Members of the Indian community,

Distinguished Guests,

Ladies and Gentlemen:

1. I am delighted to welcome you on this happy occasion of the joint launch of the India-Japan Friendship Year 2007, marking the fiftieth anniversary of the Cultural Agreement between India and Japan.
2. More than a thousand years ago, the peoples of India and Japan initiated a vibrant civilizational relationship, when Buddhism traveled to Japan. The gentle message that was brought from India to Japan was a message of love, compassion and universal brotherhood.
3. The Festival of India which we launch today will bring out the vibrancy of India's culture in all its diversity; the youthful dynamism of contemporary India's free and open society, and the great transformations that are taking place in India's economy.
4. We are also looking forward to the Festival of Japan in India, which will showcase both modern and traditional Japanese culture, which is catching the popular imagination in India.
5. I am also delighted to welcome members of the Indian Community here. I applaud their efforts to keep the culture, spirit and idea of India alive in their adopted home. They are our true ambassadors to the world since they represent the dynamism of a new India on the move. I am confident that they are building new bridges between our two nations through their diligence, creativity and enterprise that have become the hallmark of the Indian Diaspora all over the world.
6. We are delighted that Prime Minister Abe and Mrs. Abe have found it possible to join us at this special occasion. Excellency, we regard you as a valued friend of India, who has taken keen personal interest

in developing enhanced partnership between our two countries. We are heartened to note the warm sentiments towards India that you have expressed. I fully reciprocate your sentiments.

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241. Memorandum between the Indian Council for Cultural Relations (ICCR) and the Japan Foundation

Tokyo, December 14, 2006

The Indian Council for Cultural Relations and the Japan Foundation [hereinafter referred to as “both sides”] confirm their recognition that India and Japan have a common cultural and spiritual heritage and that mutual respect for and understanding of their respective cultures and traditions have been developed between the peoples of both nations. From this sound base, both sides share the awareness that in the coming years, cultural exchange between India and Japan should assume even greater importance.

With reference to each other’s activities, the following views were exchanged:

I. Purpose of Collaboration

The purpose of collaboration between both sides is:

1. to facilitate mutual beneficial cooperation between India and Japan in the area of collaboration below mentioned in Section II.
2. to make their utmost effort to effectively implement the Eight-fold Initiatives for Strengthening India-Japan Global Partnership, as decided by the Prime Ministers of India and Japan during the official visit of H.E. Mr. Junichiro Koizumi, Prime Minister of Japan, to India April 28-30, 2005.

II. Areas of Collaboration between the ICCR and The Japan Foundation

1. Arts and Culture

Both sides intend to assist each other to jointly implement Indo-

Japan-related activities in the arts and cultural fields that are conducted in both countries.

Possible collaboration fields are the visual arts, performing arts, audio-visual media and publications, including traditional and contemporary culture, and other areas of mutual interest. The modality of activities may range from lectures, seminars, and international conferences to exhibitions, demonstrations, performances, publications, and other events.

2. Intellectual Exchange

Both sides intend to explore the possibility of jointly organizing or assisting academic and intellectual seminars, conferences, or workshops on the subject of mutual interest concerning Indo-Japan relationship and global issues to encourage multilateral dialogue and networking among experts, scholars, and leading citizens.

Both sides intend to explore the possibilities of cooperation when one side seeks the assistance of, or asks for suggestions from, the other.

3. Exchange of Information

Both sides intend to exchange information, publications, research, and other instructive materials that are beneficial and useful to each other on an as-needed basis. Both sides intend to cooperate within their capabilities to obtain and provide the information requested from the other.

Examples of information that the Japan Foundation may seek:

- Information on the latest trend in the arts, culture, and academic fields in India that may be beneficial to the Japan Foundation in its programming;
- Suggestions and information regarding suitable candidates and institutions to participate in Japan Foundation programs;
- Updates on the current situation of foreign-language education (especially Japanese) in India.

Examples of information that the ICCR may seek:

- Information on the latest trends in the arts, culture, and academic fields in Japan that may be beneficial to the ICCR in its programming;
- Updates on the current situation of Indian studies in Japan.

III. General Principles

Joint activities between the ICCR and the Japan Foundation would be subject to availability of funds.

In planning and implementing joint projects, both sides will consult each other to confirm the interests of the other side and examine the possibility of collaboration regarding the project in question.

This memorandum in no way restricts either side from participating in similar activities with other entities.

Both sides intend to continue their communication in promoting this partnership and encouraging collaboration between the two institutions. Both sides may also discuss and explore other possibilities of mutual collaboration.

Any changes to the memorandum may be incorporated by either side by mutual consent.

This Memorandum is signed in two copies, one for each side, each in English, Japanese, and Hindi languages.

Signed in Tokyo on December 14, 2006 by:

Pavan Varma
Director General
The Indian Council for Cultural Relations

Kazuo Ogoura
President
The Japan Foundation

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242. Address of Prime Minister Dr. Manmohan Singh at Business luncheon hosted by Japanese Apex Business Chambers in association with Indian Apex Business Chambers.

Tokyo, December 15, 2006.

I am deeply honoured and mightily pleased to be in the midst of such an august gathering of leaders of Japan's business and industry. I take this opportunity to extend my gratitude to all of you who have found time to be present here today.

I have many cherished memories from my long association with Japan, not least the helping hand extended by Japan to India during our very severe balance of payments crisis of 1991. Japan was truly a friend in deed, to an India sorely in need. Those early days of India's economic reforms process now appear distant. It is important to remember that despite several changes of government in these past 15 years, India has remained on the path of economic reforms and liberalization we started in 1991.

The Indian economy is now on a new path of accelerated growth. For two decades our economy grew at around 6.0 per cent per annum. But in the past four years we have recorded 8.0 per cent annual growth. In the first half of the current fiscal year the growth rate recorded a new high of 9.1%. The manufacturing sector is fast catching up with the services sector. These two sectors account for almost 80 per cent of our national income.

This remarkable growth is being led by an investment rate of 31 per cent of GDP, financed almost entirely by a matching savings rate of over 29 per cent. India's stable macro – economic indicators lead me to believe that we have the potential to achieve double digit growth in the coming years.

Our challenge, however, is not only to sustain high growth rates, but to make this process inclusive of the demands of equity and environmental sustainability. Growth has already helped millions of our citizens to emerge from abject poverty, which is reflected in the decline of the poverty ratio from above 50% in the seventies to below 20% today. This has added large numbers to our booming consumer markets.

In this journey of unleashing the creativity and enterprise of the Indian people, and seeking growth with equity, we want Japan to be our active partner.

We are deeply appreciative of the assistance Japan has made available over the years, through its official development assistance programme. Delhi Metro is already a visible symbol of India-Japan collaboration and we look forward to more such projects that can make a tangible difference to the daily lives of our citizens.

In the years ahead we wish to focus on building a much deeper and wider relationship with Japan's business and industry. Our economic relations presently fall far short of the potential. I have been surprised to see Japan lose ground in India during the 1990s to other East Asian and South-east Asian economies, both in terms of foreign investment flows and trade flows.

It is a fact that South Korean consumer brands have moved aggressively into India and their brands have very high recognition value among our consumers. On the trade front, India's trade with both China and South Korea is booming and grew last year at around 40% with both countries. China's trade with India is nearly three times India's trade with Japan and Korea's trade with India is almost equal to Japan's trade with India.

The time has come for Japanese companies to reverse this situation. Japan must regain its historic status as our most important business partner in Asia. We cannot forget the critical role Japanese companies have played in the development of India's automobile and other industries in India. The challenge is before all of us is obvious. I invite Japanese Business Community to take full advantage of opportunities that present themselves in my country.

I am happy that there are indications that the trend is already beginning to change. Since the end of 2004, over \$ 5 billion have been invested from Japan in India's capital markets. This is a ringing endorsement of the potential and profitability of investing in India and will, I hope, set the tone for greater direct investment as well. I am also told that the number of Japanese companies in India have grown by 50% in the last three years.

I do hope that you have noted the results of a JETRO survey conducted in 2005, which concluded that the profit prospects of Japanese manufacturing companies was the best in India as compared to all ASEAN countries. As a consequence, more than 90% of such companies in India were planning to expand their operations in the next couple of years. I urge you to weigh the initial problems of entry against the long-term profitability and stability of doing business in India.

An economically resurgent India today offers a variety of investment opportunities, both in traditional and new sectors, in labour-intensive and knowledge-based industries. In bio-technology, nano-technology, information technology, automobiles and aerospace, textiles and leather, marine products and in many other areas Japan and India can come together.

I am of course aware of the concerns Japanese investors have about doing business in India. Our government will address all legitimate concerns of investors. We are committed to improving our infrastructure, simplifying our taxation regime, reducing further our tariffs and eliminating bureaucratic delays. We have made substantial progress in each of these areas, but I am aware that there is more to be done. We will do our very best.

The focus of our government has been to create world class infrastructure in India. I am personally monitoring all the major infrastructure projects every quarter as head of the Committee on Infrastructure. We have estimated that India's investment needs in area of infrastructure will be at least \$320 billion in the next five years in infrastructure alone. We have estimated that our total investment requirement would be closer to US\$ 500 billion. This requires public and private, domestic and foreign participation in our economy. We happily welcome foreign investment and seek to promote public-private partnership on a large scale.

As part of such innovative public-private partnerships, we have made provisions for grant assistance through a specially created "viability gap funding" mechanism, and for access to long-term funds through a special purpose vehicle, the Infrastructure Development Finance Company. The qualitative and quantitative expansion of education in India will enable us to sustain a highly productive work force with a wide range of skills.

There are already more than 70 Indian software companies and 5,000 Indian engineers operating in Japan and Indian companies are making significant efforts to train software professionals for the Japanese market. Japanese has already been introduced as an optional foreign language in our secondary schools and the government is committed to increasing Japanese language learning opportunities in India. We would urge the Japanese industry to exploit India's IT advantage the way the US and Europe have done and are doing.

India's fast expanding economy will create a large demand for energy. There are many opportunities for collaboration between Indian

and Japanese companies in the area of energy efficient and environmentally friendly technologies. We must exploit this vast latent potential.

Prime Minister Abe and I are sincerely and deeply committed to breathing new life into our traditional friendship. We propose to launch negotiations on a Comprehensive Economic Partnership Agreement between India and Japan.

I invite all of you to a youthful, dynamic and self confident India, where more than a billion people are seeking socio-economic progress in the framework of a functioning democracy, an open economy and an open society deeply committed to fundamental human rights and respect for rule of law. I invite you to join us in this historic journey of creativity and enterprise.

I am convinced that the 21st Century will be the Century of Asia. But to ensure this and to translate this into global prosperity and peace for all, Japan and India must work together. I invite you to join us to build a new India, a new Asia and a new world.

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243. Synopses of Documents Signed/Issued during the visit of Prime Minister Dr.Manmohan Singh to Japan

Tokyo, December 15, 2006.

1. Joint Statement: Towards India Japan Strategic and Global Partnership - Copy being circulated. (Signatories: Prime Minister of India and Prime Minister of Japan)
2. Joint Ministerial Statement on the launching of a Joint Task Force (JTF) to develop an Economic Partnership Agreement (EPA)/ Comprehensive Economic Partnership Agreement (CEPA) between India and Japan - The Joint Ministerial Statement stipulates that the two sides will launch negotiations for the conclusion of an EPA/CEPA through a Joint Task Force (JTF). The India-Japan EPA/CEPA should cover, but may not be limited to trade in goods, trade in services, measures for trade promotion, promotion, facilitation and liberalization of investment flows, measures for promoting economic cooperation in identified sectors and other areas for a comprehensive economic partnership between India and Japan. It will be the endeavour of the JTF to complete the negotiations as soon as possible, in approximately two years. (Signatories: Minister of Commerce & Industry of India and Minister of Economy, Trade & Industry of Japan, Minister of Foreign Affairs, Minister of Agriculture and Fisheries and Minister for Finance from Japan.)
3. Memorandum of Understanding on Delhi-Mumbai Industrial Corridor: According to the MOU, the industrial corridor, to be developed along the Delhi-Mumbai Dedicated Freight Corridor, will have several supporting infrastructure projects such as power facilities, rail connectivity to ports en-route and would also cover development of ports on the west coast of India. Along this corridor, several industrial estates, Special Economic Zones and clusters with high quality infrastructure are proposed to be developed to attract more investments, including from Japan. A Task Force under Vice-Minister METI and Secretary, Department of Industrial, Policy and Promotion will develop this concept and the components of the projects. (Signatories: Minister of Commerce & Industry of India and Minister of Economy, Trade & Industry of Japan)
4. Cooperation Agreement between the Government of India and Japan Bank for International Cooperation (JBIC) - The Agreement provides

for undertaking investment promotion activities in India in a sustained and coordinated manner by strengthening collaboration between DEA and JBIC. The JIPD will be co-chaired by Minister of Trade and Industry from India and Minister of Economy, Trade and Industry from Japan. (Signatories: Ambassador of India in Japan and Chairman, JBIC)

5. MOU to upgrade Japan-India Policy Dialogue (JIPD): The MOU upgrades the existing JIPD to the level of Ministers from the existing official level. (Signatories: Minister of Commerce & Industry of India and Minister of Economy, Trade & Industry of Japan of Japan)
6. Joint Statement on the promotion of India-Japan tourism exchanges - The Joint Statement includes various activities as part of promoting exchange between the people of two countries and strengthening cooperation in the field of tourism. It, inter alia, includes designation of year 2007 as India-Japan Tourism Exchange Year; participation of Japan in the SATTE 2007, a travel fair in India and India's participation in events like JATA, World Travel Fair in Japan. The Joint Statement also sets target for increasing the number of visitors between the two countries to 300,000 by 2010, which will be almost the double of what it was in 2005 and further increase to 500,000 by 2015, which will be three times than in 2005. (Signatories: Ambassador of India in Japan and Deputy Vice Minister for Tourism Policy, Ministry of Land, Infrastructure and Transport and Director-General, Southeast and Southwest Asia Division, Ministry of Foreign Affairs of Japan)
7. Memorandum between Indian Council for Cultural Relations (ICCR) and the Japan Foundation - The Memorandum will facilitate mutually beneficial cooperation between the ICCR and the Japan Foundation in the areas of art and culture, intellectual exchange, exchange of information, among other things. (Signatories: Director General, ICCR and President, Japan Foundation)
8. MOU on the establishment of Indian Institute of Information Technology for Design and Manufacturing (IITDM) at Jabalpur - The MOU provides the framework for assistance by the Government of Japan towards the development of IITDM. (Signatories: Ambassador of India in Japan and Director-General, Southeast and Southwest Asia Division, Ministry of Foreign Affairs of Japan.)

9. MOU between Department of Science & Technology and the Japan Science & Technology Agency in scientific cooperation programme - The MOU provides for the commencement of a new programme for joint funding and support for cooperative research conducted by the scientists of the two countries. (Signatories: Ambassador of India in Japan and President, JST)
10. MOU between Department of Science & Technology and RIKEN (Institute of Physical and Chemical Research) on cooperation in science & technology - Under this MOU, the two sides have agreed to cooperate in detection tools for security, genome-related research, including system biology, computational science including development of bioinformatics tools and other areas of mutual interest. The MOU also provides for establishing a Joint Working Group for the successful implementation of the MOU. (Signatories: Ambassador of India in Japan and President, RIKEN)
11. Understanding on relaxation of Civil Aviation arrangements: During bilateral air services consultations between India and Japan, liberalized civil aviation arrangements have been worked out after a gap of 13 years. The provisions include the designated airlines of both sides granting access to one additional point of call each for operation of scheduled services; three more points in each country being allowed for code sharing operations; enhancing of capacity entitlement to 21 services per week; designated airlines of each country operating all cargo services up to seven frequencies/week; and setting up a mechanism on code sharing arrangements including the domestic code share.
12. MOUs for twinning relationship between Delhi State and Fukuoka Prefecture and Maharashtra State and Okayama Prefecture: The two sides have reached understandings for twinning arrangements between Delhi-Fukuoka and Maharashtra-Okayama. The MOUs provide for cooperation in the areas of economy, tourism, culture, etc.,. The objective of the MOUs are to promote and expand mutually beneficial cooperation and economic development in both states and to establish collaborative projects and assignments of mutual interest and benefit in identified thrust areas.

244. Remarks by Prime Minister Dr. Manmohan Singh at Joint Press Interaction with Japanese Prime Minister Shinzo Abe.

Tokyo, December 15, 2006.

Your Excellency Prime Minister Shinzo Abe, Ladies and Gentlemen of the Media, This visit to Japan was for me a most memorable visit to your beautiful country. First of all, Mr. Prime Minister, allow me to convey very sincere appreciation for the warm welcome and gracious hospitality extended to me and my delegation. The Prime Minister and I have just concluded a very cordial, fruitful and extensive exchange of views on our bilateral relationship as well as on issues of mutual interest in regional and international affairs. Prime Minister Abe has already given you an overview of our discussions. I will, therefore, touch upon only a few salient aspects.

As two vibrant democracies sharing common values and aspirations, we have much to contribute to each other. We have converging political, economic and strategic interests and concerns. We are both committed to the promotion of peace, stability and economic integration for shared prosperity in Asia. Indeed, India and Japan are natural partners, with a mutual stake in each other's progress. There is much that we can and should do together.

To underline this point, we have already agreed to establish a Strategic and Global Partnership. It will be our endeavour to strengthen our political and diplomatic coordination on bilateral, regional and global issues, enhance our defence relations, undertake comprehensive economic engagement, to widen cooperation in science and technology and to seek a major expansion of people-to-people contacts. India-Japan relations are today poised for a transformation and we have resolved to seize this historic moment.

We are determined to counter terrorism in all its forms, in whatever garb it is cloaked and wherever it raises its head. We have decided to act in concert to oppose the spread of weapons of mass destruction.

The launch of negotiations on an India-Japan Comprehensive Economic Partnership Agreement marks the beginning of a new phase in our economic relations, which will enable us to develop their full potential and promise.

We have decided to work together for a quantum leap in educational and cultural ties and people-to-people contacts. Mere incremental increases are not what we seek. As a mark of this commitment, Prime Minister Abe and I launched the India-Japan Friendship Year 2007 as well as the Festival of India in Japan yesterday.

In conclusion, I am deeply satisfied with the outcome of my visit, and I am delighted that Prime Minister Abe has accepted my invitation to visit India next year. Mr. Prime Minister, we appreciate your personal commitment to the cause of India-Japan partnership. Let me assure you that I reciprocate your sentiments in the fullest possible measure.

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245. Joint Statement issued at the end of the visit of Prime Minister Dr. Manmohan Singh to Japan.

Tokyo, December 15, 2006.

1. The Prime Minister of India, H.E. Dr. Manmohan Singh, is currently paying an Official Visit to Japan from December 13 to 16, 2006 at the invitation of the Prime Minister of Japan, H. E. Mr. Shinzo Abe. He is accompanied by his spouse, Mrs. Gursharan Kaur and a high-level delegation.
2. Prime Minister Dr. Manmohan Singh was accorded a ceremonial welcome on December 14. Prime Minister Dr. Manmohan Singh and Mrs. Gursharan Kaur had audience with Their Majesties the Emperor and the Empress of Japan. He held extensive talks with Prime Minister Mr. Shinzo Abe of Japan, who also hosted a Banquet in honour of the visiting dignitary. He addressed a Joint Session of the Diet on December 14. Mr. Taro Aso, Minister for Foreign Affairs, Mr. Koji Omi, Minister for Finance and Mr. Akira Amari, Minister for Economy, Trade and Industry called on the Prime Minister of India. Mr. Yoshiro Mori, former Prime Minister and President of Indo-Japanese Association and Dr. Taro Nakayama, President of Japan-Indo Parliamentarians' Friendship League also called on the Prime Minister of India. The two Prime Ministers unveiled the Joint Logo and launched the India-Japan Friendship Year 2007, to be organised in both countries, and attended the inaugural event of the Festival of India in Japan on December 14. Prime Minister Dr. Manmohan Singh

also addressed the business organisations of Japan at a luncheon meeting. Prime Minister Mr. Shinzo Abe received representatives of the Indian business delegation who accompanied Prime Minister Dr. Manmohan Singh. Mr. Yasuhisa Shiozaki, Chief Cabinet Secretary and Mr. Akihiro Ota, Chief Representative of New Komeito will call on the Prime Minister of India on December 16.

3. The two leaders recall the impressive development of India-Japan relations in recent years, noting in particular the establishment of a Global Partnership in 2000 during Prime Minister Mr. Yoshiro Mori's visit to India and the decision taken last year during Prime Minister Mr. Junichiro Koizumi's visit to India to reinforce the strategic orientation of the partnership. They also note with satisfaction the all-round progress made towards the implementation of the Joint Statement on the "India-Japan Partnership in a New Asian Era: Strategic Orientation of the India-Japan Global Partnership" and the "Eight-fold Initiative for Strengthening India-Japan Global Partnership", signed between the Prime Ministers of the two countries on April 29, 2005 in New Delhi, and reaffirm the principles and understandings embodied in these documents.

Strategic and Global Partnership:

4. The two Prime Ministers recall that India and Japan share ancient bonds and a proud civilisational heritage. The current context of India-Japan relations is rooted in their similar perceptions of the evolving environment in the region and the world at large. It is driven by converging long-term political, economic and strategic interests, aspirations and concerns and underpinned by a common commitment to democracy, open society, human rights, rule of law and free market economy. It is based on deep respect for each other's contributions in promoting peace, stability and development in Asia and beyond, unencumbered by any historical differences.
5. The two leaders affirm that India and Japan are natural partners as the largest and most developed democracies of Asia, with a mutual stake in each other's progress and prosperity. Indeed, a strong, prosperous and dynamic India is in the interest of Japan, and likewise, a strong, prosperous and dynamic Japan is in the interest of India. They have responsibility for, and are capable of, responding to global and regional challenges, and they must play an active role in the promotion of peace and stability in Asia and world at large.

Recognising that Asia is emerging as the leading growth centre of an increasingly interdependent global economy, the two countries are also keen to pursue a comprehensive economic partnership in the region and nurture sustainable economic growth, social peace and political tolerance in open and cooperative regional frameworks.

6. Given their shared determination to raise bilateral relations to a higher level, the two leaders decide to establish a Strategic and Global Partnership between India and Japan. This will impart stronger political, economic and strategic dimensions to bilateral relations, serve long-term interests of both countries, enhance all-round cooperation and contribute to greater regional peace and stability.
7. The Strategic and Global Partnership will involve closer political and diplomatic coordination on bilateral, regional, multilateral and global issues, comprehensive economic engagement, stronger defence relations, greater technological cooperation as well as working towards a quantum increase in cultural ties, educational linkages and people-to-people contacts. This partnership will enable both countries to harness the vast potential of bilateral relations, drawing upon complementarities and each other's intrinsic strengths, and also work together to address regional and global challenges.

Political, Defence and Security Cooperation:

8. The two leaders welcome the important contribution made to bilateral cooperation by various existing dialogue mechanisms. With a view to sustaining and giving high-level guidance to the continued growth and development of bilateral relations, the two leaders confirm their intention to hold annual Summit-level meetings in respective capitals as well as on the sidelines of multilateral events. The Prime Minister of Japan will visit India in 2007 for the next bilateral Summit at the invitation of the Prime Minister of India. The two leaders encourage the continuation and enhancement of regular exchanges between members of their respective Cabinets in charge of Foreign, Defence, Finance, Trade and Industry, Agriculture, Information and Communications Technology, Science and Technology, Tourism and Civil Aviation portfolios. They also endorse the institutionalisation of Strategic Dialogue at the Foreign Ministers level as well as a regular Policy Dialogue between the National Security Advisor of India and his Japanese counterpart.

9. The two leaders endorse the continuation and enhancement of consultations between the Ministry of External Affairs of India and the Ministry of Foreign Affairs of Japan, including the Foreign Office Consultations (Foreign Secretary-level Talks), to advance the shared agenda of the relationship. The Indian side welcomes the Japanese plan to establish a consular post in Bangalore.
10. The two leaders welcome the Joint Statement issued following talks between the Defence Minister of India and the Minister of State for Defense of Japan in May, 2006 and reiterate their commitment to enhance defence cooperation to achieve the common goal of promoting the security, stability and prosperity in Asia and in the world at large as well as in tackling regional and global security challenges. They urge their concerned agencies to develop an annual calendar of cooperation and exchanges relating to defence and security and to progressively enhance cooperative activities, including high-level exchanges and consultation between services. The two leaders appreciate the recent developments in service-to-service cooperation, including cooperation in UNDOF. The two sides will also undertake a goodwill exercise between the Japan Maritime Self Defense Force and the Indian Navy in 2007.
11. Recognising that India and Japan have large Exclusive Economic Zones and maritime interests, the two leaders confirm their intention to work closely to enhance cooperation in capacity building, technical assistance and information sharing between their respective agencies and undertake anti-piracy measures. They share the view that India and Japan must cooperate closely to ensure the safety and security of international maritime traffic that are vital for their economic well-being as well as that of the region.
12. The two leaders endorse regular exchanges between the two Coast Guards through meetings of heads of Coast Guards, mutual visits of Coast Guard ships and holding of combined exercises. In this context, the signing of a Memorandum on Cooperation between the Coast Guards was welcomed. They also welcome the coming into force of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) and reaffirm their intention to enhance cooperation in respect of anti-piracy countermeasures under its framework.

13. The two leaders unequivocally condemn terrorism in all its forms and manifestations and stress that there can be no justification whatsoever for any act of terrorism. They share the view that international community must further intensify efforts and cooperation to fight this scourge. In this context, they confirm that the two countries will continue to work together through the India-Japan Joint Working Group on Counter Terrorism. They also call upon all Member States of the UN to work towards the expeditious adoption of a Comprehensive Convention on International Terrorism.

Comprehensive Economic Partnership:

14. The two leaders welcome the report of the India-Japan Joint Study Group, which has made a series of recommendations, covering trade in goods, trade in services, investment flows, role of Japan's Official Development Assistance (ODA) in promoting economic partnership and other areas of economic cooperation, and direct that those recommendations be implemented expeditiously. Convinced that comprehensive economic engagement between the two countries must be a core element of their strategic partnership and also recognising that closer economic integration between India and Japan will contribute to further growth and stability in the broader Asian region, the two Prime Ministers have decided to launch immediate negotiations for the conclusion of a bilateral Economic Partnership Agreement/ Comprehensive Economic Partnership Agreement (EPA/CEPA), on the basis of the recommendations submitted by the Joint Study Group. They note with satisfaction that a Joint Ministerial Statement, constituting a Joint Task Force to undertake the inter-governmental negotiations on the EPA/CEPA, has been signed during the visit. It will be the endeavour of the Joint Task Force to expedite these negotiations aiming to complete them in substance as soon as possible in approximately two years.
15. The two leaders welcome recent positive developments in bilateral economic relations and direct that the potential of economic partnership must be fully realised.
16. The Indian side expresses its appreciation for the fact that India is presently the largest recipient of Japan's ODA. The Japanese side affirms that India will continue to be a priority country for its ODA. The two leaders confirm that Japan's ODA will continue to support India's efforts at accelerated economic and social development as

well as to further strengthen India-Japan partnership. They direct their concerned agencies to intensify cooperation under the ODA, particularly in priority sectors such as infrastructure, environment, social development and human resource development.

17. In order to widen and deepen economic engagement even as an EPA/ CEPA is negotiated, the two leaders announce an “India-Japan Special Economic Partnership Initiative” (SEPI). This initiative will promote enhancement of investment from Japan to India and help develop India’s infrastructure and manufacturing capacity, taking full advantage of the ample availability of skill and human resources and the public-private partnership policy initiative of the Government of India. The SEPI will, inter alia, consist of the following:

A. Development of Infrastructure and Promotion of Manufacturing, Trade and Investment:

- Further cooperation in realising the Dedicated Multi-modal High Axle Load Freight Corridors with computerised control on Mumbai-Delhi and Delhi-Howrah routes. The two leaders note with satisfaction that the Japan International Cooperation Agency (JICA) has submitted its Interim Report of the Feasibility Study on the Project and that the Final Report will be ready by October 2007. The two sides will consult on the ways and means to realise the Project, utilising Japan’s Special Terms for Economic Partnership (STEP) Scheme and with the inputs of Japanese technology and expertise. The two sides will also examine the possibility of using Japanese technology in locomotives and signalling and electrical equipment, and in construction in railway sector;
- Promotion of “Delhi-Mumbai Industrial Corridor”, supported by Multi-modal Dedicated Freight Corridor between Delhi and Mumbai. This will include cooperation in development of one or two sea ports on the west coast and industrial estates and Special Economic Zones with high quality physical and social infrastructure, and other initiatives, through collaboration between private and governmental sectors of the two countries, with the objective of developing the requisite infrastructure and facilitating investment. The two governments will further discuss how to facilitate its development, including the formulation of a master plan;

- Cooperation in the setting up of a multi-product Special Economic Zone/Cluster in India to locate investments from Japan, with facilities for manufacturing and processing industries, hotels and recreational units, and educational and training centres. It will be an integrated conglomeration based on industrial needs and global best practices. The Government of India will facilitate the establishment of the Zone/Cluster;
- Efforts by the Government of Japan to encourage investment by Japanese companies in India, including through assistance in development of infrastructure relating to Special Economic Zones and industrial estates;
- Assistance by Japan External Trade Organization (JETRO) to Japanese small and medium enterprises to set up operations in India, with its Business Support Centre in India acting as an incubator;
- Support by JETRO for the rural business and industrialisation initiatives of the Government of India, under its “One Village One Product” programme, initially through the implementation of a pilot project; and
- Promotion of participation of Japanese companies in the power sector in India, including through the initiative of the Ministry of Economy, Trade and Industry of Japan on the establishment of a ‘Task Force on Indian Power Sector’. Projects proposed by the Indian side for the participation of Japanese companies include, inter alia, 4000 MW Coastal Ultra Mega Power Project at Chayyur, Tamil Nadu and 3000 MW Lohit Hydroelectric Project in Arunachal Pradesh.

B. Human Resource Development for Promotion of Manufacturing:

- Cooperation within the framework of Japan-assisted ‘Visionary Leaders for Manufacturing’ (VLFM) programme, under which Japanese manufacturing management and skills will be transferred to senior managers of Indian manufacturing industry;
- Continued involvement of Japanese private sector in training and quality control and utilisation of training programmes of the Government of Japan; and

- Collaboration towards the development of the Indian Institute of Information Technology for Design and Manufacturing, Jabalpur and exchanges between technological institutes of the two countries.
18. The Policy Dialogue between the Ministry of Commerce and Industry of India and the Ministry of Economy, Trade and Industry of Japan, to be upgraded to the Ministerial level, will advance the relevant elements of the agenda of the SEPI. An MOU on Delhi-Mumbai Industrial Corridor was signed between Minister of Commerce and Industry of India and Minister of Economy, Trade and Industry of Japan.
 19. The two leaders welcome enhanced cooperation in the financial sector, including through Japanese participation in India's capital markets, banking and insurance. They also welcome the collaboration through cooperation agreement between the Government of India and the Japan Bank for International Cooperation (JBIC). They take note of the business cooperation agreement between JBIC and the ICICI Bank as a useful model to enable companies of India or Japan to raise funds in local currency in either country. The Ministries of Finance of the two countries will further exchange views on the development of regional financial and capital markets.
 20. The two leaders welcome major investment projects from Japan to India, including by Suzuki Motor Corporation, Honda Motor Co. Ltd., Nissan Motor Co. Ltd. and Mitsui & Co. Ltd., among others. The two sides will cooperate to facilitate the following projects:
 - Development and setting up of integrated logistic platforms with rail-connected Inland Container Depot (ICD) and specialized warehouses based on Free Trade & Warehousing Zone (FTWZ) framework; and
 - Setting up of new capacities in India by Japanese auto and auto-parts companies.
 21. Emphasizing the major role of the private sector in strengthening economic engagement, the two leaders announce the setting up of a Business Leaders' Forum, comprising ten business leaders from each country. This Forum will have the mandate to develop a roadmap for enhanced partnership and cooperation between the two countries at the business level and generate ideas for furthering the goals of the

SEPI and taking forward the negotiations on the EPA/CEPA. The two leaders express the hope that this Forum will provide inputs to them for promoting a comprehensive economic engagement between India and Japan. The two leaders will also designate senior representatives to guide the Business Leaders' Forum.

22. The Japanese side welcomes Indian investments in Japan. The two sides will coordinate to facilitate their location and activities in the country. Recognising the competitive advantage of India in software development and IT-enabled services, the two sides will also work together to facilitate the functioning of Indian companies in this field in Japan.
23. The two sides will continue cooperation in the field of urban development, including water supply, sanitation and construction of urban transportation systems in Indian cities along the lines of Delhi Metro, which is a shining example of India-Japan partnership. The two countries will coordinate to launch a Working Group in the field of water environment, urban development and urban transportation.
24. The two leaders welcome the outcomes of meetings of Working Groups set up under the India-Japan Information and Communication Technology Forum, which include field trials in India for introduction of Japanese wide-band wireless technology i-Burst for field trials in India, joint research on Natural Language Processing by National Institute of Information and Communications Technology (NICT) of Japan and Centre for Development of Advanced Computing (CDAC) of India, and exchange of researchers, software experts and other technical personnel. The two leaders urge their Ministries concerned to pursue actively the identified areas of cooperation. The Japanese side will give consideration to the request for assistance in setting up a National Gigabit Backbone Network in India.
25. The two sides are determined to tackle global energy security issues jointly and direct that the dialogue between their governments be strengthened. They also welcome the Joint Statement regarding cooperation in the hydrocarbon sector signed between the Minister of Petroleum and Natural Gas of India and Minister of Economy, Trade and Industry of Japan in September 2005, the signing of five MOUs and the progress made under them.

26. Recognising the critical importance of securing the energy needs of both countries, the two leaders share the desire to enhance the level and scope of cooperation in the energy sector. They endorse the setting up of an India-Japan Energy Dialogue, co-chaired by Deputy Chairman, Planning Commission of India and the Minister of the Ministry of Economy, Trade and Industry of Japan, to promote cooperation in the energy sector in a comprehensive manner. The areas covered will include oil and natural gas, coal, electric power, renewable energy sources, energy efficiency and other relevant sectors. The existing forum between The Energy Resources Institute (TERI) of India and New Energy and Industrial Development Organisation (NEDO) of Japan, which was successfully convened for the first time in December 2006, will provide inputs to the Energy Dialogue.
27. The two sides will expand cooperation in energy efficiency through exchange of experts, capacity building and technical cooperation.
28. Recognising the respective strengths of India and Japan in high technology and knowledge economy and the potential benefits of fostering cooperation and also noting the importance of promoting the objectives of non-proliferation, the two leaders decide to launch a consultation mechanism to facilitate bilateral high technology trade and address matters relating to respective export control systems of the two countries.
29. Recognising the importance of intellectual property for economic development, the two leaders confirm that their governments will continue to cooperate in capacity building activities in this area, including in developing human resources.

Science and Technology Initiative:

30. The two leaders believe that cooperation in science and technology, including in frontier areas of research and development, constitutes a key element of the strategic partnership between the two countries. The two leaders welcome the holding of the 7th Joint Committee on Science and Technology in November 2005 as well as the India-Japan Science and Technology Initiative Meeting in October 2006. Taking note of the outcome of intensive bilateral consultations in recent months, including the above meetings as well as consultations at the level of the Ministers in charge of Science and Technology,

they approve the launching of the following joint projects under the Science and Technology Initiative:

- Joint R&D Programme in areas such as nano-technology, life science and information and communication technology;
- Development of Open Access Database of the available ongoing and prospective research undertaken individually and through joint collaboration in their respective academic, public and industrial institutions; and
- Collaboration in the area of scientific deep sea drilling.

31. The two leaders recognise the importance of strengthening mutually beneficial research collaboration between the relevant organisations of the two countries. In this context, they welcome the signing of the following documents: (i) MOU on cooperation in science and technology between the Department of Science & Technology (DST) of India and RIKEN; and (ii) MOU on scientific cooperation programme between DST and Japan Science and Technology Agency (JST), (in addition to the existing MOU between DST and Japan Society for the Promotion of Science (JSPS) on Core University Program). The two leaders also welcome the collaboration between the National Institute of Advanced Industrial Science and Technology (AIST) of Japan and Indian research institutions, particularly the Council of Scientific and Industrial Research, DST, Department of Biotechnology and Jawaharlal Nehru Centre for Advanced Scientific Research in advanced industrial science and technology fields, including nano-technology and materials, energy and environment (clean coal and biomass resources), life sciences and information and communication technology.
32. The two leaders note with satisfaction the mutually beneficial cooperation between the Indian Space Research Organisation (ISRO) and the Japan Aerospace Exploration Agency (JAXA) in peaceful uses of outer space. The two leaders reaffirm their keenness to cooperate in such fields as space science, including lunar missions and X-ray astronomy, satellite remote sensing, satellite communication, and disaster management support. They also recognise the importance of capacity building and promotion of regional cooperation in space applications in the Asia Pacific region. In this context, the Japanese side appreciates the ISRO's decision

to participate in the disaster management support system "Sentinel Asia".

33. The two leaders welcome the signing of the agreement on ITER, in which they are partners.

People-to-People Exchanges:

34. The two leaders believe that in order to substantiate the India-Japan strategic partnership there must be a quantum increase in cultural, academic and people-to-people exchanges. Such contacts will also build upon the goodwill that exists in the two countries in respect of each other and help raise the profile of India in Japan and of Japan in India. With this larger policy objective in mind, the two leaders endorse a number of initiatives to qualitatively upgrade such contacts.
35. Recognising the important role played by the youth of both countries in fostering closer people-to-people ties, the two leaders launch an Investing in the Future Initiative, the main elements of which will, inter alia, consist of the following:
- The Japanese side will expand the Aso programme, announced in January 2006, with the support of the Indian side, with the objective of sponsoring visits of five thousand persons between India and Japan over the next three years in such fields as Japanese language, technology and youth interaction;
 - The Indian side welcomes the designation of India as a target country for the Japan Exchange and Teaching Programme. Exchanges under this programme will be stepped up;
 - The Governments of India and Japan will work together to promote Japanese language studies in India, with a target of 30,000 learners at different levels by the year 2010. The Japanese side welcomes the introduction of Japanese language as an optional foreign language in the secondary school curriculum in India;
 - The two sides will continue promotion of Japanese language in India through Japan Overseas Cooperation Volunteers programme; and
 - The Japanese side will assist the Indian side in setting up of Japanese language teaching cells in seven Indian Institutes

of Technology and establishing centres of Japanese studies at selected institutions and universities in India.

36. The two leaders welcome the signing of a Memorandum on the development of the Indian Institute of Information Technology for Design and Manufacturing at Jabalpur, with Japanese assistance. The two sides will also make every effort to collaborate towards the development of an Indian Institute of Technology.
37. The two leaders designate the Year 2007 as the “India-Japan Tourism Exchange Year” and direct the Ministries concerned to carry out various activities to promote tourism exchanges. They welcome a Joint Document on expansion of tourism exchanges between the two countries. The Indian side expressed its appreciation for Japanese assistance in development of tourism-related infrastructure, including the Buddhist pilgrimage circuit in India. The two sides will enhance their ongoing cooperation in development of infrastructure at Buddhist sites in India.
38. Noting that civil aviation links between the two countries are a key element for fostering closer economic and people-to-people contacts, the two leaders welcome the positive outcome of bilateral civil aviation talks and direct their respective authorities to expeditiously implement the agreed measures to expand air links commensurate with the requirements of growing economic relations and enhanced tourist flows. The Indian side invites Japanese participation in the development of airports in India through public-private partnership and also under the ODA. The Japanese side will give serious consideration to the idea.
39. Recalling the important role of Nalanda in the ancient period as a leading international university contributing to Buddhist and secular studies, the two sides will explore the idea of re-development of Nalanda as a major centre of learning with the establishment of an international university on the basis of regional cooperation.
40. The two leaders welcome the signing of an MOU on cooperation between the Indian Council for Cultural Relations and the Japan Foundation.
41. The two Prime Ministers welcome the understandings on Sister Province/State relationship reached between Delhi State and

Fukuoka Prefecture and Maharashtra State and Okayama Prefecture and encourage further expansion of such twinning arrangements to enhance people-to-people relations and closer economic ties.

42. The two leaders direct the concerned authorities to implement at the earliest the arrangement on the waiver of visas for holders of Diplomatic Passports. They also direct that the simplification of visa procedures to facilitate two-way travel be undertaken as soon as possible.

Regional and Multilateral Cooperation:

43. The two leaders confirm their intention to continue to work closely in the East Asia Summit (EAS) framework. While acknowledging the ASEAN as the driving force in the process of creating this new regional architecture, they reaffirm the need for all sixteen EAS countries to fully participate in and actively contribute to the objective of closer cooperation and community building in the region. In this regard, they stress the importance of the development of a roadmap and modalities for the progressive realisation of an East Asian community in the EAS framework.
44. The two leaders reaffirm the need to further promote regional economic integration and, in this context, recall their respective proposals for a Pan Asian Free Trade Area and for a Comprehensive Economic Partnership in East Asia. They decide to cooperate with each other in studies that will take forward these proposals. It is also decided that the two sides will cooperate towards the establishment of the Economic Research Institute for ASEAN and East Asia, which will conduct research, analyses as well as develop policy recommendations to advance the regional economic integration.
45. The two leaders note that the initiative by the G-4 for reforming the Security Council has brought the issue to the attention of the international community. They further reaffirm the determination to strengthen cooperation and coordination between India and Japan for comprehensive reform of the United Nations, including the expansion of the UN Security Council in both permanent and non-permanent categories to reflect contemporary realities of the world.
46. The two leaders share the view on the usefulness of having dialogue among India, Japan and other like-minded countries in the Asia-Pacific region on themes of mutual interest. The two governments will consult on the modalities.

47. The two sides reiterate their commitment to disarmament and non-proliferation objectives, and their determination to work as partners against proliferation. While expressing their respective positions on the approaches towards the shared goal of achieving a world free of nuclear weapons, they reaffirm that they will continue to promote commonalities and identify areas of convergence for mutual cooperation between them in a constructive manner, contributing to the advancement of overall bilateral relations. In this context, they welcome the First Joint Secretary/Director General level Annual Dialogue on Disarmament and Non-Proliferation, held in New Delhi in May 2006, and confirm that the Second Round of the Dialogue will be held in Tokyo in 2007.
48. The two leaders express serious concern regarding the threat of proliferation of weapons of mass destruction and their delivery systems, which confront the region and the wider world. They reaffirm that India and Japan need to work in a concerted manner to effectively counter these dangers, which imperil their peaceful societies.
49. The two leaders discussed recent events on the Korean Peninsula and shared grave concerns on the nuclear test conducted by DPRK, which has greatly complicated the security situation in the region and highlighted the true extent of clandestine proliferation. The two leaders stress the importance of fully implementing the UN Security Council resolution 1718 and confirm that they will promote practical cooperation towards this end. They welcome the recent progress towards the resumption of the Six-Party Talks for the denuclearisation of the Korean peninsula, an objective DPRK has also endorsed. They urge that the abduction issue be resolved at the earliest as a humanitarian concern.
50. The two leaders share the view that nuclear energy can play an important role as a safe, sustainable and non-polluting source of energy in meeting the rising global demands for energy, and that international civil nuclear energy cooperation should be enhanced through constructive approaches under appropriate IAEA safeguards. The two sides will continue to discuss the international civil nuclear cooperation framework with respect to India¹.

1. After the release of the Joint Statement, the Japanese Prime Minister told journalists that "Japan will be actively involved in the discussions at the Nuclear Suppliers' Group". He said that he had heard from Prime Minister Manmohan Singh that nuclear power was

51. The two sides will establish Inter-Governmental Consultations on Environment and Climate Change. They will also promote cooperation in Asia-Pacific Partnership on Clean Development and Climate.
52. Recognizing that it is a matter of priority for both countries to also strengthen the ability to mitigate damages caused by natural disasters like earthquakes, tsunami and cyclones, the two sides confirm that they will promote mutual cooperation, including through Asian Disaster Reduction Centre, in the field of disaster management in line with the Hyogo Framework of Action.
53. The two Prime Ministers note with satisfaction that India has become a Member of ASEM and Japan an Observer in SAARC. Both countries resolve to work in close consultation in these forums. The Indian side looks forward to Japan's attendance as an Observer at the 14th SAARC Summit in New Delhi in April 2007.
54. The two leaders reaffirm their shared recognition of the importance of strengthening the multilateral trading system. The two countries will make their utmost efforts towards the early conclusion of the WTO Doha Round negotiations as responsible members of the G-6.**Conclusion:**
55. The two leaders express their conviction that Prime Minister Dr. Manmohan Singh's highly successful Official Visit to Japan and the decision of the two countries to establish a Strategic and Global Partnership has opened a new chapter in friendly and cooperative relations between them.

a necessity in India given the fact that there was an increasing demand for energy. Dr. Singh had also assured him that appropriate safeguards would be taken. He said that he had pointed out to Dr. Singh that Japan was the only country that had been a victim of the nuclear bomb, and as such had sensitivities on the subject. "Therefore India should respond to the concerns of the international community and work out appropriate safeguards with the IAEA," the Japanese Prime Minister said. Replying to questions on board the special flight taking him back to New Delhi from Tokyo on December 16, the Prime Minister told journalists that he was not disappointed with the Japanese stance on India's civil nuclear energy plans. He said: "There is adequate appreciation of the fact that India needs nuclear power for its energy security and I am convinced that when the time comes, Japan will be on our side. Though of course, I had not come here to discuss this matter in any great length, Japanese sensitivities on matters relating to nuclear have to be respected because they are the only country in the world which had been devastated by the atomic weapons in the Second World War."

56. Prime Minister Dr. Manmohan Singh has extended an invitation to Their Majesties the Emperor and Empress to pay a State Visit to India.
57. Prime Minister Dr. Manmohan Singh thanks the Government and the people of Japan for the warm hospitality accorded to him and his delegation. He has extended a cordial invitation to Prime Minister Mr. Shinzo Abe to pay a return visit to India at a mutually convenient date in 2007. The invitation was accepted with pleasure, with dates to be decided through diplomatic channels.

(Manmohan Singh)

(Shinzo Abe)

Prime Minister of Republic of India

Prime Minister of Japan

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246. Speech by Prime Minister Dr. Manmohan Singh at a banquet hosted in his honour by Japanese Prime Minister Shinzo Abe.

Tokyo, December 15, 2006.

Your Excellency, Prime Minister Shinzo Abe and Madame Abe, Ladies and Gentlemen,

I wish to thank the Government and people of Japan for the courtesy and warm hospitality with which we have been received in your country.

I have visited Japan many times but this is my first visit as Prime Minister. I have come at an important moment in your history as a new generation takes over the leadership of your country. I sense a spirit of optimism and hope for the future of Japan among the people. India and Japan share a proud civilisational heritage and a common Asian identity. Our two nations have converging long-term political, economic and strategic interests. We have a common commitment to democracy, human rights, the rule of law and a free market economy. India and Japan are thus natural partners with a mutual stake in each other's progress and prosperity.

Most importantly, I believe that I am right in saying that there is a

broad political consensus in both our countries in favour of a strong and enduring partnership between India and Japan.

We are very grateful to Japan for the development assistance provided to India. However, there is a vast unexplored potential to expand flows of trade, technology and investment. I believe my visit to Japan will open up new pathways of cooperation between our two countries.

I thank you once again and end with a quote from the revered poet Rabindranath Tagore who wrote :

Once we dreamt that we were strangers.

We woke up to find that we were dear to each other

Excellencies, Ladies and Gentlemen, it gives me great pleasure to invite you to join me in raising a toast to :

- The health and well being of the Prime Minister of Japan and Madame Abe
- The prosperity and progress of our two peoples
- And to our partnership

Thank you.

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247. Joint Ministerial Statement on the Launching of a Joint Task Force to Develop an Economic Partnership Agreement (EPA)/Comprehensive Economic Partnership Agreement (CEPA) between the Republic of India and Japan

Tokyo, December 15, 2006

We, Ministers of the Republic of India and Japan

Recalling the decision of the Prime Ministers of both the countries in November 2004 to set up a Joint Study Group (hereinafter the Group/ JSG) to study the feasibility of strengthening economic relations between the two countries and to make recommendations, and also the directions given to this JSG in April 2005 to submit its report within a year of its launch;

Further recalling that the JSG composed of government officials and representatives of business and academia of the two countries had four meetings and, after detailed deliberations and studies, gave its report in June, 2006;

Confirming the conclusion of the JSG that an EPA/CEPA is the proper architecture for internal economic engagement as it will improve trade flows in goods and services, accelerate bilateral investments, increase economic growth, and will also serve as a building block for larger regional economic integration; and

Endorsing the report of the JSG, which recommend among others, that negotiations on the proposed EPA/CEPA may be conducted in a specially constituted Joint Task Force or another mutually agreed suitable mechanism, consisting of government officials;

Have decided as follows:

1. The India-Japan EPA/CEPA should cover, but may not be limited to:
 - a) Trade in goods;
 - b) Trade in services;
 - c) Measures for trade promotion;
 - d) Promotion, facilitation and liberalization of investment flows;

- e) Measures for promoting economic cooperation in identified sectors; and
 - f) Other areas for a comprehensive economic partnership between India and Japan.
2. The proposed EPA/CEPA needs to be consistent with WTO provisions, while sensitive sectors should be treated with flexibility and practicality.
 3. Both sides will launch, not later than January 2007, a JTF composed of government officials of both the countries to proceed with the task of developing an EPA/CEPA between the two countries. The JTF will bring about specific recommendations on each of the constituent elements of the EPA/CEPA for adoption by the two governments. The JSG report will serve as the framework for such work.
 4. Negotiating structure of the proposed JTF is annexed.¹

Signed in Tokyo on the 15th day of December 2006.

**For the Government of
Republic of India**

**For the Government of
Japan**

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1. Not included here.

KOREA, REPUBLIC OF

248. Statement to media by Secretary (East) Ministry of External Affairs Rajiv Sikri on the visit of President Dr. A.P.J. Abdul Kalam to Singapore, Philippines and Republic of Korea.

New Delhi, January 30, 2006.

SECRETARY (EAST) (SHRI RAJIV SIKRI): Good afternoon ladies and gentlemen. As you are aware, Rashtrapatiiji will be leaving tomorrow for a ten-day trip that will take him to Singapore from 31st to the 3rd, then to Manila from 3rd to the 6th, and finally he goes to the Republic of Korea from 6th to the 9th.

Rashtrapatiiji's visit to these countries to our East is an important development in the evolution of our Look East Policy which, as you know, is a high priority of this Government. It will, I am confident, will give a new impetus, not only to our bilateral relations with the respective countries but also to the Look East Policy in general.

In his meetings with government leaders and other sections of society, Rashtrapatiiji would focus on how our national development goals can benefit from exchange and interchange of ideas and experience with these countries, look at some technology cooperation, the focus also on getting inputs for rural and industrial development of India. His delegation will have the Minister for Rural Development Dr. Raghuvansh Prasad Singh, and three Members of Parliament – Shrimati Sumitra Mahajan, Shri Vanlalzawma, and Shri Sachin Pilot.

His programmes in all these countries involve naturally the meetings with the leaders of the respective countries. But they would also include meetings with the students, both in universities and in schools, visits to centers of learning and technology, meetings with the local and the Indian community in these regions, meetings with businessmen. Some agreements in each of these countries are also expected to be signed. Of course, there will be the usual ceremonials, banquets, lunches, dinners, the ceremonial aspects of the visit.

Singapore has been a very important partner of India in the region, in ASEAN. We have had frequent exchanges of high-level visits. The last

President from our side to visit Singapore was Shri K.R. Narayanan in November 2000. Since then we have had visits by their President, Mr. Nathan who still remains President in January 2003; former Prime Minister Goh Chok Tong in July 2004; and Prime Minister Lee Hsien Loong in June last year. So, a high-level visit from India at this juncture to Singapore is appropriate. You are also aware that both Mr. Lee Kuan Yew and Mr. Goh Chok Tong were in India in the last few months. We have also been having very frequent exchange of Ministerial level visits. I think all this reflects the importance that Singapore and India attach to their bilateral relations.

In June last year, during Prime Minister Lee's visit we had signed the Comprehensive Economic Cooperation Agreement. It is the first of its kind that India has signed with any country and we hope it will lead to an increase in trade and investment and cooperation in services. As it is Singapore is our largest trading partner in the ASEAN region with trade of about 6-7 billion dollars.

We do cooperate with Singapore in the field of terrorism. There is a Joint Working Group for this. We have a Mutual Legal Assistance Treaty. Of course, with Singapore, beyond the bilateral dimension we are cooperating within the framework of ASEAN and the East Asia Summit.

Rashtrapatiji's visit would reinforce the strong partnership and the close friendship that India and Singapore have traditionally enjoyed.

To give you an idea of programme there, he would have meetings with the leaders plus some of the leaders would call on him. He is expected to give a major address there – the Singapore lecture, meet the students at the National University of Singapore, visit Bharatiya Vidya Bhavan, have interaction with both the faculty and the students of the Nanyang Technical University. On the technology side he would also visit the Public Utility Board and the desalination plant which is there.

There will be some cultural elements in his programme also including a visit to the Museum of Asian Civilisations, and the Singapore Fine Arts Society. During High Commissioner's Reception that would be organized, he will get an opportunity to meet with the local community.

Getting now to the Philippines, we have not had that kind of extensive exchange with the Philippines as we have had with Singapore. This will be a return visit to that by former President Ramos in 1997. Earlier, President Venkataraman had visited the Philippines in 1991. However, in the last

year or so, there have been frequent high-level exchanges including a visit by our Speaker in April last year. Rashtrapatiji's visit will reinforce our ties with the Philippines, which is the second largest country in ASEAN, and will, I am sure, lead to many steps that would enable us to utilize the considerable unrealized potential in our ties. There are many complementarities and the scope for cooperation in the IT sector. There are some Indian companies which have a presence there. His programme there in Philippines will include meetings with the President and an address to the National Assembly which is their Parliament. An agreement for cooperation in the field of agriculture is expected to be signed.

Philippines, as you may be aware, is the host to the International Rice Research Institute. As a country which has a lot of seismic activity and volcanoes, it has a lot of experience in earthquake and volcano research. So, Rashtrapatiji will be visiting both the IRRI and the PHIVOLCS in Quezon City, which looks into the cooperation in the volcanology and seismology.

As you know, Manila is where the ADB is headquartered. So Rashtrapatiji would have an opportunity to meet the President and Senior Directors of the ADB. In the field of education, he would be visiting science school, there is a National Education Centre in the University of Philippines, as well as the College of Nursing. Philippino nurses, as you may be aware, are very well accomplished. Perhaps there is something that we can learn through them.

There would also be, I believe, an event with the Asia Society. At the dinner hosted by the Asia Society where Rashtrapatiji would get an opportunity to interact with lot of the leading intellectuals and other members of the society in the Philippines.

Turning now to Republic of Korea, this would be the first Presidential visit from India to the Republic of Korea. Less than a year and a half ago, it was in October 2004 President Roh of Republic of Korea had visited India on a State visit. It is a rapidly growing relationship that we have with the Republic of Korea. In the last year or so we have had many high-level exchanges and a meeting which the Prime Minister had with the President in Kuala Lumpur last December.

The economic dimensions of our relationship with Korea is very important. Tata has investment in Korea with Daewoo truck manufacturing plant. Many Korean companies like LG, Samsung and Hyundai have got

India as an important focus of their activities. It is a strategic decision which many Korean companies have taken. A little while ago, a few months ago, there was an agreement that Posco signed with the Orissa Government for setting up a new steel plant. So, all these development are in harmony with the long-term cooperative partnership of peace and prosperity that the two countries had signed during President Roh's visit in October 2004.

One of the important outcomes of that visit was the decision to set up a Joint Study Group to look into the prospects of developing a Comprehensive Economic Partnership Agreement. We anticipate that the Joint Study Group which has finished its work will make its presentation to the two leaders and we expect that an important Ministerial-level Joint Statement setting up a task force to develop a CEPA over the next year and a half, say by the end of next year, would be signed during the visit. We also expect to sign on a couple of other agreements in customs, in science and technology. Our trade with the Republic of Korea is going well. It is about 5 billion dollars. Korea is also the fifth largest investor in India. Energy is a key area of cooperation. We are working with Korean companies in Myanmar, the Daewoo Myanmar. We have a mutually beneficial dialogue on cooperation on defence and security issues.

Of course, with the Republic of Korea, as indeed with the other two countries, Singapore and Philippines, India is cooperating within the framework of the East Asia Summit, the first meeting which place in Kuala Lumpur and the second East Asia Summit will take place in Philippines later this year. These are some of the highlights of Rashtrapatiji's visits to these countries over the next ten days. Thank You.

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249. Address by President Dr. A.P.J. Abdul Kalam to the Business Chambers of Korea.

Seoul, February 7, 2006.

Vision of Partnership

Chairman and members of Federation of Korean Industries

Chairman and Members of Korea Chamber of Commerce and Industry

Chairman and Members of Korea Federation of Small and Medium Business

Chairman and Members of Korea International Trade Association

Distinguished guests and Ladies and Gentlemen,

I am indeed delighted to participate and interact with the captains of industry and business leaders of Republic of Korea. I have studied the remarkable progress made by the Industries in Korea to establish a competitive advantage to the nation. I am sure that it would not have been possible without your contribution and vision. The famous economist Lord Keynes once said, "If business leaders think right, I think our societies and our polities can look to the future with hope and confidence." I am happy to know that the Korean economy has changed immensely in the last decade and has recovered from the Asian financial crisis as a result of the economic restructuring and reform programme to emerge as the 11th largest economy in the world. It is forecasted the economy of Korea will further increase and will achieve 5th position in the world within two decades.

Law of development: Competitiveness

Last two years, I was studying the development patterns and the dynamics of connectivity between nations, especially in trade and business. As you all know the world has few developed countries and many developing countries. What is the dynamics between them and what connects them? Developed country has to market their products in a competitive way to different countries to remain as developed country. The developing country to get transformed into developed country; they too have to market their products to other countries in a competitive way. Competitiveness is the common driving factors between the two types of nations. Competitiveness has three dimensions: quality of the products, cost effectiveness and

availability just-in-time to cater to the demands. Indeed this dynamics of competitiveness in marketing of products by developing and developed countries is the law of development. There is a relationship between the core competence and the competitiveness of the country.

Economic ambience of India

The economies of India and Korea have significant complementarities which must be harnessed for our mutual benefit. The Indian economy has changed significantly since the early 1990s, with macro-economic stabilisation and pursuit of a reform programme aimed at enhancing efficiency, productivity and competitiveness. We have made trade virtually free, dismantled industrial and import licensing, liberalised foreign direct investment, and undertaken reforms in the public sector, infrastructure and the financial sector, with investor-friendly policies. This has enabled many economically progressive countries establishing business ventures with investments. The right decisions from Republic of Korea led to establishment of many industries in India. We will be seeing Indian industries also establishing ventures in Korean soil.

India's Economic Intent

Friends, over the past decade, our Government's "Look East" policy has emerged as a major element of India's foreign policy and economic engagement. It was also a strategic shift in India's vision of the world and India's place in the evolving global economy. It should be seen in the backdrop of India's growing economic integration with East Asian economies that are emerging as large trading partners of India, as also large investors in India. With the agreement of long term cooperative partnership for peace and prosperity India and Korea will be strategic partners in trade, investment, energy, Science and Technology and several related items. Now we have decided to accelerate the process of arriving at a Comprehensive Economic Partnership Agreement (CEPA) between India and Korea. This will give immense opportunities for the business persons from both the countries.

Pan Asian Free Trade

As regional trading arrangements become important building blocks of multilateralism in an increasingly globalised world, it is heartening to see that the trend towards the pan-Asian framework for cooperation is becoming increasingly more pronounced. The recently concluded East Asia Summit has laid the foundations for a cooperative architecture in Asia on

an unprecedented scale and we hope, will potentially launch the process towards the possible creation of an East Asian Community. We feel confident that in the next few years, we may see the rise of a Pan-Asian Free Trade Area covering all major Asian economies, including India, Korea, China, Japan, ASEAN and possibly extending to Australia and New Zealand. This could be the third pole of the world economy after the European Union and the North Atlantic Free Trade Area and will open up new growth avenues for all our own economies. We believe that our economic partnership with Korea would significantly contribute to eventual emergence of such an economic community in Asia.

Korean Presence in India

Friends, you have established an impressive presence in the Indian market. Your acumen and foresight in investing early in India and keenly studying the Indian consumer have brought rich dividends for both our countries. Samsung, LG, Hyundai are all household names in India and have established a premium brand positioning. Korean products are known to offer “good value for money”?. Each of these companies has quickly cornered a significant share of the Indian market and actively sourcing from India for their regional and global operations. The Korean steel giant POSCO has begun implementing a US\$12 billion integrated steel project in the State of Orissa in India, the largest inward Foreign Direct Investment for India and I understand, the largest outward Foreign Direct Investment for Korea. TATA DAEWOO executives met me yesterday and briefed me about the progress. I am happy to learn that their venture is working out very well and growing fast. Our bilateral trade has more than tripled over the last ten years. I would like to see that it grows to \$ 20 billion on or before 2010. The conclusions of the Joint Study Group and the launching of the Joint Task Force mandated to develop a Comprehensive Economic Partnership Agreement (CEPA) between our two countries is a major step forward.

Advantages of Partnership with India

I see a great future for Indo-Korean economic cooperation in knowledge-based industries, in infrastructure development, bio-technology, automobiles and auto components, pharmaceuticals, steel, ship-building and IT hardware. Our coordination and joint ventures in energy including hydrocarbons, power generation, and refineries is of great importance. We need to enhance our cooperation in the fields of health, agriculture, tourism, and science and technology.

India's cost-effective human resources will complement the rising wages and labour scarcity in Korea. India's strategic location as an essential link between different sub-regions of Asia could be used by Korean business and industry for relocation, regional and global sourcing. Our knowledge-based service industry will complement the hardware and manufacturing-based economic structure of Korea. Moreover, in the competitive global trade India and Korea jointly can make highly advanced knowledge products with high market share. We also believe that our competencies in pharmaceuticals and research in bio-nano technology will ensure emergence of new healthcare devices and medicine utilising the rich biodiversity of both the countries. The need of the hour is to jointly create a suitable framework for enhanced bilateral trade, investments and other economic cooperation, including in e-governance, energy resources, agriculture, rural development, and science and technology.

New potential areas of growth have emerged and new areas of cooperation have opened up. Structural reforms and advances in science and technology have helped this economic cooperation. Indian firms are attaining global levels in quality and output and are venturing out to regional and global markets for production and for sales. India has become a production base and an outsourcing hub for a range of products from agricultural goods to automobile components to high-end IT enabled services. Indian firms are now part of global processing chains—importing, adding value and re-exporting. As a result, we are constantly redefining our standards. Our telecommunication, IT, bio-technology and pharmaceutical sectors are growing at a rapid pace.

Conclusion

Friends, in conclusion, I would like to invite the heads of Korean business and industry to avail of the opportunities in India and tap the vast array of complementarities that exist between our two countries to forge close and comprehensive economic relations. As you know India is a forward looking economy and coming closer to east asian countries. It is forecasted that India and Korea will become economically strong nations within 10 countries in the world through their own individual effort. Think of the cooperative effort of two nations with a common mission and forging missions combining with core competencies, like software of India and hardware of Korea, utilisation of large manpower resource from India and infrastructure etc. This cooperative effort will place both of our nations within top five economically developed nations.

I would also like to hear from you as to how we can accelerate the trade, investment and business between the two countries.

Thank you.

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250. Address by President Dr. A.P.J. Abdul Kalam at Yonsei University.

Seoul, February 7, 2006.

UNIVERSITY EDUCATION AND NATIONAL DEVELOPMENT

I am delighted to be in this beautiful Yonsei University and interact with the student and faculty of this unique University of Korea which is celebrating its 120th anniversary. My greetings to the President, Vice Presidents, Council of Professors, faculty members, staff and students of Yonsei University. I was very happy to find that Yonsei has a mission of contributing to the society in the spirit of truth and freedom. Also Yonseians are educated of strong moral, ethical and humanistic values. One of the important things of the education here is the students learn to evaluate themselves throughout their education phase in this University and take corrective actions whenever necessary. The history of the university is intertwined with Korea's history.

Recently, I tele-addressed three Universities in India, namely University of Calcutta, University of Madras and University of Mumbai on the occasion of their completing 150 years. I shared the information of my planned visit to Yonsei University with them. They have asked me to convey their best wishes to the students and faculty of Yonsei University for completing of 120 years of successful education and research mission. These three universities are transforming into virtual Universities. I am sure, both Indian Universities and Yonsei University will become partners in the virtual education.

When I saw the University emblem, I learnt that the figures in the emblem represent ideal of a complete and well-rounded person and upward-looking strife for scholarly excellence. What a beautiful thought. I have chosen the topic "University Education and National Development" for today's discussion. I would like to present some thoughts on the scientific

scene in pre-independent India, the pioneering work of some of our scientists, capacities which are required to be created among the students by the Universities for national development and the concept of Virtual University.

Scientific scene in pre-independent India

In India, science and technology took a two-phase progress with high scientific momentum created in 1930s, by the great scientists of international repute. They gave the country the confidence. We remember the pioneering contributions to science made by Sir CV Raman for his discovery of the 'Raman effect', Srinivasa Ramanujan for his contributions towards number theory, JC Bose in the area of microwaves, SN Bose, for Bose-Einstein statistics and Meghnad Saha for 'Thermo-Ionization Equation' and Chandrasekhar Subramaniam for his Chandrasekhar limit and black hole. Like this, many have contributed to Indian science. This phase, I consider the glorious phase of Indian science. The scientific foundation laid by them triggered the later generations. The unique similarity between all these scientists is that they had dedicated their entire life for the cause of scientific research and the spirit of inquiry for the fields that they have chosen amidst all the hurdles and problems in their life particularly in the environment of foreign rule. This is an important message for all students and faculty members. Science is a lifetime mission. It is a question of dedication, commitment and understanding and also the creative environment for research in science. They inspired many others in the later generation like GN Ramachandran, the originator of triple-helix. Friends, recently I visited the Indian Association for the Cultivation of Science in Kolkata (Calcutta). CV Raman was working as an Assistant Accountant General in Calcutta. Indian Association for the Cultivation of Science attracted him and he carried out his scientific experiments early morning and late evenings beyond his regular office hours. That was indeed a great beginning for Indian physics leading to Raman's achievements. Later, he became a Professor of Physics at University of Calcutta from where he published the path-breaking Paper on 'Raman Effect'. According to Raman, the colour of the sea is blue due to molecular diffraction which determines the observed luminosity and to a great extent its colour. I would like to share with you the Nobel Prize winning contribution of Sir C.V. Raman, which is relevant even today.

Raman Effect and its multi dimensions

Raman Effect has continuously impacted every field of science. Its

role in spectroscopy, medical diagnostics and material characterization had been phenomenal. The Raman Effect had been used in many new areas of science and the most recent being in the development of a continuous silicon laser. Instruments and techniques based on Raman Effect make a huge industry all over the world.

In a Paper published in February 17, 2005 in Nature, Intel researchers disclosed the development of the first continuous wave all-silicon laser using the Raman Effect.

They built the experimental device using the standard CMOS manufacturing processes.

Intel researchers incorporated a novel diode-like structure into the silicon cavity laser. This diode combined with the Raman Effect produces a continuous laser beam at a new wavelength. This breakthrough device could lead to many practical applications such as optical amplifiers, lasers, wavelength converters, and new kinds of high efficient optical devices. A low-cost all-silicon Raman laser could inspire innovation in the development of new medical sensors, and spectroscopy devices.

Over the next 5 to 10 years, the computing and communications industries would face increasing challenges to deliver more data and faster. Consumers will be downloading full-length movies, not just photos and music files. People will also require faster access to these large amounts of data. While microprocessors are projected to meet these future demands, the bandwidth of the interconnects needs to be increased to meet the speed of the microprocessors. With the new work of Intel using Raman Effect to produce continuous silicon laser, the material convergence will take place very soon and faster networks would emerge.

Birth of Triple Helix

Now, I would like to talk about another great Indian scientist, Dr. G.N. Ramachandran known as GNR amongst scientists. GNR's life is indeed an example worthy of emulation by all scientists, which was a fusion of curiosity, creativity and problem solving ability for successful missions. GNR, was wondering how to go about with x-ray diffraction and x-ray crystallography base with application to biomolecules as a main theme. JD Bernal, the famous crystallographer and chemist who was on a visit to India in 1942 felt that all the structure proposed so far for collagen were unsatisfactory and suggested that GNR could take a look at that. GNR published the first innovative paper on the collagen structure, which gave

strikingly original triple helix – it appeared in the journal *Nature* in August 7, 1954. The proposed structure consisted of three separate helical chains, with their axis parallel to the fiber axis, stacked in a hexagonal array. This structure was not only innovative; it also provided better quantitative agreement with the X-ray data.

Collagen is today finding large-scale application in the treatment of third degree burn injuries, since it has been found to have extraordinary healing properties. Also collagen has led to a separate branch of biology named structural biology, which is being taught in many universities. GNR can rightly be called as the father of structural biology. The world will always be thankful to him, for giving the famous Ramachandran plot. G.N. Ramachandran is the first Scientist in India to foresee and make possible the birth of bio-informatics. Now, I would like to share with you friends, some of the predictions of Ray Kurzweil, written in his book "When Computers Exceed Human Intelligence -The Age Of Spiritual Machines".

Can computer challenge the Brain?

Most of the computers of the future and accessories will be of micro sized, wearable and will have wireless communications with each other. Moderately priced PCs capable of performing about a billion calculations per second today, will be able to perform about a trillion calculations per second within next 10 years. It is predicted that by 2019, the computational ability of an ordinary PC would exceed the capability of human brain. By 2029, the capability of a normal PC would be around 1000 times of the human brain. Definitely my view is: the creativity of the human mind will always be superior to even the most powerful computer in the horizon. This thought I would like the researchers who have assembled here to debate.

By the end of this century, there would be a strong trend towards convergence of human thinking with the world of machine intelligence that the human species initially created. When there would no longer be any clear distinction between human and computers, how the molecular biologists would help us to retain the supremacy of man over the machines? Computers are going to give us a challenge. It is not only for the biologists and bio-technologists; the entire scientific community would have greater responsibility of keeping the mankind above the man-made computers, creativity being the prime mover.

With the recent advancement in the computational capabilities and bioscience and also availability of large amount of clinical data, we were

stimulated to study the brain particularly in the conditions of mentally challenged children. Both India and Korea, in particular the Yonsei University have complimentary capabilities in Information and Biological Sciences to work together and make an everlasting contribution to the healthcare of the future generation. If this collaboration can be successfully orchestrated, the two countries would be remembered much the same way; today's generation remembers Mahatma Gandhi and Kim Ku.

I would like to present some aspect of our research in healthcare. The subject interests me and I continue to pursue.

Research on Mentally Challenged Children

When I was with Anna University in Chennai (Madras) as a Professor of Technology for Societal Transformation, apart from my teaching, I was guiding a doctoral research student. The research was aimed at finding an integrated solution using software and hardware to achieve a near normal functioning of the brain of mentally challenged children. It is indeed recognized by the world peers as a complex problem both from the point of view of ICT application and neurological research. When I saw some of the mentally challenged children performing certain activities like singing, painting in Central Institute of Mental Retardation, Thiruvananthapuram (Trivandrum) in the State of Kerala, I got convinced that one day convergence of information and communication technology, medical electronics, bio-technology and mathematical simulation can find a solution for their problem. We have been studying the mentally challenged children in various research institutions, homes for mentally retarded and hospitals. We are confident that it will be possible to transform the functions of the damaged portion of the brain say left hemisphere to the normal portion right hemisphere of the brain by some triggering mechanism, or by implanting a bio-chip to carry-out those functions. This is a complex problem which needs an integrated approach involving medical scientists and technologists for a targeted permanent solution which can help children with this mental disability. I am still guiding the research student. Now I would like to discuss the capacities which are required to be built among students for enabling them to participate in national development missions.

Capacity Building

The modern economy is driven by knowledge and skill and not by established industries. There will be continuous innovation and enterprise. To realize this, special capacity need to be built in education and nurtured among the students. The capacities which are required to be built are

research and enquiry, creativity and innovation, use of high technology, entrepreneurial and moral leadership.

Research and enquiry: The 21st century is about the management of all the knowledge and information we have generated and the value addition we bring to it. We must give our students the skills with which they find a way through the sea of knowledge that we have created and continue with life long learning. Today, we have the ability, through technology, to really and truly teach ourselves to become the life-long learners. This is required for sustained economic development Creativity and innovation: The management of knowledge in the 21st century is beyond the capacity of a single individual. The amount of information that we have around is overwhelming. The management of knowledge therefore must move out of the realm of the individual and shift into the realm of the networked groups. The students must learn how to manage knowledge collectively. When the information is networked the power and utility of the information grows as squared as predicted by Metcalfe's Law. Information that is static does not grow. In the new digital economy information that is circulated creates innovation and contributes to national wealth.

Capacity to use high technology: Every student in our schools should learn to know how to use the latest technologies for aiding their learning process. Universities should equip themselves with adequate computing equipment, laboratory equipments, and Internet facilities and provide an environment for the students to enhance their learning ability. In the midst of all of the technological innovations and revolutions we cannot think that the role of the teachers will be diminished. In fact the teacher will become even more important and the whole world of education will become teacher assisted and would help in "tele-porting" the best teacher to every nook and corner of the countries and propagate the knowledge.

Entrepreneurship: The aptitude for entrepreneurship should be cultivated right from the beginning and in the university environment. We must teach our students to take calculated risks for the sake of larger gain, but within the ethos of good business. They should also cultivate a disposition to do things right. This capacity will enable them to take up challenging tasks later.

Moral leadership: Moral leadership involves two aspects. First it requires the ability to have compelling and powerful dreams or visions of human betterment. Moral leadership requires a disposition to do the right thing and influence others also to do right things.

In sum, inquiry, creativity, technology, entrepreneurial and moral leadership are the five capacities required to be built through the education process. If we develop in all our students these five capacities, we will produce “Autonomous Learner” a selfdirected, self controlled, lifelong learner who will have the capacity to both, respect authority and at the same time is capable of questioning authority, in an appropriate manner. These are the leaders who would work together as a “Self-organizing Network” and transform any nation into a prosperous nation. With the availability of connectivity through satellites and broad-band, fibre-optics and wireless networks and an universal tele-education package, the capacities which I have mentioned above can also be created amongst students through Virtual Universities in a virtual class-room environment.

Virtual University GRID

India and Korea may consider creating Virtual University GRID by networking the Universities from Korea and India for specific areas of Research and Development to meet the national mission requirements of our countries and also for capacity building in each country. This Virtual University GRID will provide, the best of education to its member countries from the universities based on their corecompetence. Hence it will ensure the best education will reach its member countries through universal tele-education delivery system. It will also ensure collaborative Learning leading to the creation of knowledge society in our countries. Such a Virtual University GRID will have the following tasks:

- a) Act as a hub of all the Universities, related educational, and research and development centers in our countries.
- b) Ensure collaborative learning and live interaction among the students and faculties of our universities.
- c) Identify experts of national/international eminence in specialized areas and nominate colleges of eminence.
- d) Coordinate, organize, schedule and broadcast the lecture of specialists at a mutually convenient time to all participants.
- e) Impart education based on its core competence, any student from any university will be able to get the quality education at his desktop.
- f) Network all the Teachers Training Programmes in the Universities to empower them with research inputs from all our universities and capacity building.

- g) Record the live transmission of the lecture with interaction details in a data bank for easy access by participants for review learning.
- h) Digitize all the University libraries and make it available for seamless access by all the faculty and students of the University.
- i) The Universities need to become learner centric.
- j) Collaborate with other Virtual Universities in India, Korea and partner countries through the network.

In the world of Virtual Universities, the equitable access to all its participants is the primary goal. This experiment in your University will provide a common platform for teaching in the University and its affiliated colleges and post-graduate departments in the entire region. This will give equal emphasis on theory and experiments in spite of the fact that it will be done in the cyberspace. Such is the power of the technology and our understanding of it. This facility would also help in expansion of telecommunication and IT services. All this would lead to synergizing the strengths of different colleges in the region by promoting quality education to all the students irrespective of their location in a cost effective manner.

Attracting students to Virtual Universities: While it is unarguable that the Virtual Universities provide us with technologies of the future and the economic way of scaling high quality education in the country, they are no substitute to the campusbased education. The challenge to the Virtual Universities is to provide the best of both the worlds. In this process, we could plan an optimum mix of direct contact hours between the students and the teachers and amongst the students themselves. These interactions should also be used as a platform to excite the students to take to learning in the new paradigm.

Conclusion

For realizing excellence in education, what we need is quality faculty, infrastructural facility, national and international high bandwidth connectivity, availability of knowledge sources. In addition, we need a good learning environment, collaborative environment, exposure to the international best practices and constant promotion of innovation and creativity. The higher the research intensity in a University environment better will be the teaching quality. The collaboration of universities between India and Korea should provide these features to all the participating institutions in different regions and become role models for both the countries in propagating attractive

and high quality virtual education. The capacity building in areas of importance to the national development is a primary role of the teachers.

Today science and technology are directly linked to the nation's economic development and their sustainability is related to the applicability and relevance of education system. The attitude of sharing knowledge between the universities will enhance the efficiency in knowledge creation and speedy dissemination. Knowledge gets multiplied when connected and circulated. The momentum which you give to the Virtual University will soon spread to every university.

I wish you all success in your mission of promoting excellence in education and capacity building among students and finally evolving the creation of the knowledge society leading to national development.

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251. Speech by President Dr. A.P.J. Abdul Kalam at the Banquet hosted by President of Republic of Korea, Roh Moo-Hyun.

Seoul, February 7, 2006.

Your Excellency Mr. Roh Moo-hyun,

President of the Republic of Korea,

Madame Kwon Yang-suk,

Excellencies and Friends,

Distinguished Guests, Ladies and Gentlemen

I greatly appreciate your warm welcome and your kind words. I am happy to be in Korea. The visit has been a rewarding experience with excellent arrangements and generous hospitality extended to me and my delegation. Despite the cold weather outside, the warm sentiments of the people of Korea that we have felt has made our stay comfortable and memorable.

Excellency, the chronicle of friendly contacts between India and Korea, two old civilisations of Asia, date back to ancient times. Our interactions begin with the arrival of the princess of Ayodhya to Korea in

the first century AD and move through the spread of Buddhism in the early centuries and later trade and cultural relations through the "Silk Route". With such an impressive historical dimension, it is only befitting that our relations have steadily developed in recent years, based on the secure foundations of shared values of democracy and open society and the common desire to develop and diversify our mutually beneficial exchanges.

Both our countries have faced stupendous challenges in the past and both, against foreign rule, have emerged resurgent and confident. We are vibrant democracies with a free press and active civil societies. We both believe in the values of freedom, dignity and respect for the individual. While India and Korea are going through historic transformations, our Governments have kept in view the people's aspiration for peace, reconciliation and prosperity. These shared experiences and objectives have helped us to understand each other's concerns and aspirations, paving the way for broad-based cooperation.

Excellency, as I stand here, I warmly recall your landmark visit to India in October 2004, which marked an important milestone in India-Korea relations. It was during that visit that we agreed to forge a "Long-term Cooperative Partnership for Peace and Prosperity", which signalled our commitment to look at our relationship beyond its bilateral dimensions and in a long-term and strategic perspective. We recognise today that India-Korea relations have an important bearing on the peace, stability and development of our region and the Asian continent. With the irreversible trend of regional integration in Asia, we increasingly look at Korea as a key element in our "Look East" policy and a trusted partner in our vision for a dynamic and vibrant Pan-Asian Community of peace and prosperity. We appreciate your active efforts to secure peace and reconciliation on the Korean peninsula.

We are encouraged by the current momentum in our relations with growing exchanges and cooperative ties in a wide range of areas. We are working together to expand and enrich the political and economic content of our relationship. It is our shared endeavour to foster closer people-to-people contacts and strengthen our exchanges in the cultural and scientific fields. As a result of our joint efforts, our bilateral trade volume has more than trebled in the last four years and I remain confident that this trend would further accelerate in the future. Korean companies have shown a perceptive understanding of the Indian market and have emerged as among the most profitable and fastest growing companies in India. On its part, the

Indian Government is earnestly endeavouring to make India an attractive investment destination by creating an investor-friendly environment. We have, together, taken several measures to provide an institutional framework to facilitate a deeper engagement between our two countries. We are happy that the Joint Study Group, appointed following your visit to India, has come up with a set of practical and far-reaching recommendations. We are now going to launch negotiations for a Comprehensive Economic Partnership Agreement. India attaches high priority to the successful conclusion of these negotiations, which we believe, would provide added momentum and a robust foundation for our growing economic partnership. I would also like to recall the launching of Korean satellites by Indian Space launch vehicles which should further enhance space cooperation between the two countries. The Republic of Korea has launched dynamic industrial enterprises in electronics and automobiles in India. And the steel industry will soon follow.

Excellency, it is heartening that since your visit to India a little over a year ago and in keeping with our shared vision of the future of our relationship, exchanges between India and Korea have become more multifaceted and acquired greater substance and maturity. We have developed mechanisms for regular, constructive dialogue and interaction on global and regional issues of mutual interest. While expanding our interaction in the existing areas, we are also constantly exploring newer avenues of cooperation, such as energy security, knowledge-based economy and cutting-edge technologies. I am sure that with our common commitment to raise the level of our partnership, we would not spare any effort to take full advantage of the vast economic complementarities and the remarkable convergence of values and interests between our two countries.

Excellencies and Friends, with this happy thought, may I now invite you to join me in a toast:

- to the personal good health and happiness of Your Excellency President Roh Moo
- hyun and Madame Kwon Yang-suk;
- to the well-being of our two friendly peoples; and
- to closer friendship and further strengthening of the multi-dimensional future-oriented and cooperative partnership between India and Korea.

252. Interaction by President Dr. A.P.J. Abdul Kalam with Scientists at Korea Research Institute for Biosciences and Biotechnology (KRIBB).

Seoul, February 8, 2006.

Evolutionary Biology : Technology for the 21st Century

Humans have been intervening in nature for as long as there have been humans. One of the big problems is how to establish a conversation between the biosciences and the human sciences. The way it's established now, the biosciences discover the truth, and the human scientists worry about the consequences. I was thinking what should I speak to this gathering of bio scientists and biotechnologists? Science has attempted to understand biology, particularly medicine, through physics and chemistry but could not proceed beyond a point. Today, understanding of evolutionary Biology is indeed providing new insights to scientists in various domains of knowledge.

Throughout human history, technology touched the core of the self-definition of mankind. The new tools, in every age, were the ultimate expressions of human control-helping mankind shape and define the way it would like to be and the way it would like the rest of living nature to be. Biotechnologies are "dream tools," of the modern human beings giving them the power to create a new vision of mankind, its heirs, the living world and the power to act on it. I therefore selected the topic evolutionary biology driving the technology for the 21st century.

There are numerous ways in which biotechnology would be driven by evolutionary biology, most apparent among them being:

- prolonging the life of drug/chemical resistant compounds
- constructing evolutionary trees
- pathogen tracking
- industrial production of biochemical and other agents It is important to recognize that evolutionary biology has implications for a new century of agriculture, medicine, and planetary life.

Second green revolution

Friends, India is preparing itself for the second Green Revolution. On 4 January 2006, I was in the Indian Science Congress. The architect of

India's first green revolution and renowned Agriculture Scientist Prof MS Swaminathan was sitting by my side. Inspired by Noble Laureate Norman Borlaug, Prof Swaminathan spent nearly 20 years breeding high-yield dwarf wheat that resisted a variety of plant pests and diseases and yielded two to three times more grain than traditional varieties. The second green revolution would be based on evolutionary biology. Evolution underlies many improvements in agriculture such as the artificial selection of crop strains to create optimal combinations with the soil characteristics, availability of moisture and presence of insecticides and pesticides. It will also include identification of genes controlling salt tolerance, resistance to drought, flood, and extreme temperatures, and response to day length. Genetically modified crops would fix nitrogen with greater efficiency, thereby reducing the need for fertilizers.

Stem cells

Evolutionary principles have been successfully used to produce many of our best vaccines, particularly the polio vaccine. We are aware that different types of cells make up our body, such as, blood cells, skin cells, cervical cells. All of these different cell types arose from a single cell, the fertilised egg. Developmental biologists study the awesome events that occur between the fertilised egg and the formation of a new individual. Embryonic stem (ES) cells are not specialized and do not have a specific body function, and have both the capacity to self-renew and thus contribute to all of the organs in an individual. Recently, several examples have been reported which demonstrate that even adult stem cells, under certain conditions, can be induced to form other cell types. For example: neural stem cells (NSC) can give rise to blood and skeletal muscle and bone marrow cells can give rise to muscle and liver cells.

Stem cells offer the opportunity of transplanting a live source for self-regeneration. Bone marrow transplants (BMT) are a well known clinical application of stem cell transplantation. BMT can repopulate the marrow and restore all the different cell types of the blood after high doses of chemotherapy and/or radiotherapy, our main defence used to eliminate endogenous cancer cells. Potential targets of neural stem cell transplants include stroke, spinal cord injury, and neurodegenerative diseases such as Parkinson's disease. Insulin production with the aim of providing a stem cell-based therapy is not very distant in future.

Will the Brain Understand Itself?

I am guiding doctoral work at Anna University on the study of mentally

challenged children. The aim is to pin-point the affected regions in the brain and look for compensatory connectivity of the adjoining regions. The extensive literature search done by my student Father George have brought me to almost every facet of mind, from mental images to the moral sense, from mundane memories to acts of genius, have now been tied to tracts of neural real estate. One challenge is that we are still clueless about how the brain represents the content of our thoughts and feelings.

There's no doubt that physiological brain activity is the cause of experience. Thoughts and feelings can be started, stopped or altered by electricity and chemicals, and they throw off signals that can be read with electrodes and other assays. I also have little doubt that we will crack the mystery of consciousness, learning which brain events correlate with experience.

Nanotechnology

Manufactured products are made from atoms. The properties of those products depend on how those atoms are arranged. One of the basic principles of nanotechnology is positional control. Nanotechnology will play a key role in determining the shape of the future in challenging directions. It will:

- introduce hitherto unimagined materials and technologies which exploit quantum phenomena at the nano scale; and
- create revolutions in macro scale processes such as frictionless molecular scale machines leading to energy efficiencies in devices approaching perfection

Nanotechnology should let us make almost every manufactured product faster, lighter, stronger, smarter, safer and cleaner. The most pressing issue however is going to be public involvement. Nano technology is too important to be left to the scientists. It is important that citizens are engaged early in balanced discussion of issues around nano technology. Failure to do so could mean a slide into a counter culture of anti-nano science. A useful comparison is that of the United States 'space race' of the 1960s versus the genetically modified (GM) crop trials in the late 1990s. While the 'space race,' conducted in the public eye with some careful encouragement by presidential and government agencies, developed into a national infatuation; conversely, the secretive testing regime of GM food producers led to a public loathing of technologies that may produce food in less destructive ways than current farming methods.

Life from Space: An Emerging Paradigm

Ideas concerning the existence of life outside Earth have spanned many centuries and many different cultures. In most ancient philosophies of the orient, for instance in Vedic, Buddhist and Islamic traditions, the cosmic character of life are taken for granted. It is regarded as an inherent property of an infinite, timeless, and eternal Universe.

If space travellers had visited Earth during the first 3.5 billion years of its 4-billion-year existence, they would have seen large expanses of water, with smaller expanses of land, but no plants, insects, or animals. Moreover, if the spaceship had arrived during the first 2 billion years of Earth's existence, its measuring devices would have reported that there was virtually no oxygen in the atmosphere and no ozone layer to protect the surface from UV radiation. Based on these observations, the space travellers might well have concluded that there was no life on Earth.

There is the very small chance that a replicative primitive cell will bear fruit somewhere and, when it does, replication will cause an enormous number of the first cells to be produced. It is here that the immense replicative power of biology shows to great advantage, particularly since we can distribute the products of such replication over millions of galaxies. Each minute innovative step in the development of life, every gene, can generate and disperse enough copies of itself the over a cosmic scale for a second highly improbable event to occur somewhere in one of the profusion of offspring. Indeed to a whole chain of improbable occurrences, which result at last in the magnificent range and variety of genes we have today, the genes that were already present at the formation of Earth.

With the genetic components of life distributed widely throughout the universe, it is a matter for each local environment to pick out arrangements that best fit the particular circumstances. In a case like Earth, a complicated fitting together of the components occurred over the last several hundred million years, by a process which biologists refer to as evolution. The science of evolution teaches us that by the end of 21st century we would meet life from another space-time.

Conclusion

We have surrounded ourselves with too much work, and there's too much accumulation of goods. The whole developmental trip is an awful treadmill that's extremely destructive. It needs to be balanced out. This is why values of Asian cultures hold the surest promise of 21st century —

promise of seeing mankind living in harmony. Let Nature and culture and science come together. This is what I refer to as the science of qualities instead of a science of quantities - that is, accumulating things, accumulating genes, accumulating gene products, balancing out your costs and benefits, always trying to accumulate more. Instead of those images, we have images of qualities, which include aesthetics, relationships, creativity, health, and quality of life. May God Bless you.

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253. Address by President Dr. A.P.J. Abdul Kalam at the National Assembly of the Republic of Korea.

Seoul, February 8, 2006.

Vision for the Nation

Honorable Speaker, Honorable members of the National Assembly, ladies and gentlemen. I am honored and privileged to have this opportunity to address the National Assembly of Republic of Korea. Let me begin by conveying to you the fraternal greetings of the Government and the people of India on this occasion. Let me recall the Prophetic words of Nobel Laureate Rabindranath Tagore, stated in the year 1929, celebrating Korea. He states that "In the Golden Age of Asia, Korea was one of its lamp bearers And that lamp is waiting to be lighted once again For the illumination of the east" Today, the world knows that lamp has been lit by knowledge, hard work and sweat of people of Korea. I have great pleasure in informing you that I am bringing along with me special greetings to the Members of the National Assembly of Republic of Korea from both the Houses of Indian Parliament. My Parliament extends a cordial invitation to a delegation from the National Assembly of Republic of Korea to visit India. I, whole heartedly join them in their sentiments. From the time, I landed Korea, it was indeed a great experience for me to meet and discuss with Political Leaders, Government Officials, Industry Captains, University professors, researchers, faculty members and students, and intellectuals. During my interaction with the students I realized that the youth of Korea and the youth of India think alike. They all aspire to live in a peaceful, prosperous, happy and safe nation.

Common values of two nations

Republic of Korea is rich in its cultural and civilizational heritage.

India also has a long history of civilizational heritage with multiplicity of languages, religions and ancient cultures. We have attained freedom after a long drawn period of subjugation and non-violent resistance. We have been attempting to preserve our cultural heritage all along. Today, Republic of Korea has developed into one of the most prosperous nations in Asia. It is a great example and inspiration for many developing nations. Republic of Korean investors have brought many enterprises to India. Indian economy is in an ascending phase for the past decade particularly in GDP growth and Foreign Exchange Reserve. India has core competence in areas such as ICT, agriculture, industry, space, pharma and services sectors. India has a mission of transforming itself into a developed nation by the year 2020. Our task is to network these areas to spread prosperity for all citizens. There are many important areas which can form sustaining bondage between our two nations. These characteristics make our nations natural allies. During the visit of President Roh, to India in October 2004, India and the Republic of Korea had agreed to work together to create a Long-Term Cooperative Partnership for Peace and Prosperity. We have worked well in this direction. During our delegation level talks with the President of Republic of Korea and his team, we both have agreed to set up a Joint Task Force to start negotiation on Comprehensive Economic Partnership Agreement (CEPA), which not only includes Free Trade Agreement but goes well beyond.

Working together

I would like to share with you and the people of Republic of Korea whom you represent, our experience in our efforts to develop the nation socially and economically over the last fifty years. I do so in a spirit of understanding that we may learn from each other and strengthen our resolve to move our nations ahead to greater prosperity and happiness. Both our nations are free, independent nations in an increasingly complex and interdependent world where the values of friendship and mutual assistance are of paramount importance. Our banners of freedom are unfurled, by the sacrifice of our political leaders and people; we should contribute towards happiness and peace in the world. The economies of India and Korea have significant complementarities which must be harnessed for our mutual benefit. The Indian economy has changed significantly since the early 1990s, with macro-economic stabilisation and pursuit of a reform programme aimed at enhancing efficiency, productivity and competitiveness. We have made trade virtually free, dismantled industrial and import licensing, liberalised foreign direct investment, and

undertaken reforms in the public sector, infrastructure and the financial sector, with investor-friendly policies. This has enabled many economically progressive countries establishing business ventures with investments. The right decisions from Republic of Korea led to establishment of many industries in India. We will be seeing Indian industries also establishing ventures in Korean soil.

Integrated action for developed India

India has a vision for the nation to become a developed country before 2020, which involves rising of our GDP from the existing 7% to 10% and sustain it for a decade. During my visit here, I have discussed and experienced more of your vision and thoughts. I will share with you some of our own thoughts on our future. In order to realize developed India by 2020, five key areas have been identified for an integrated action: (1) Agriculture and food processing (2) Education and Healthcare (3) Information and Communication Technology (3) Infrastructure development (5) Self-reliance in Critical technologies and strategic industries. These five areas are closely inter-related and lead to national, food and economic security. A strong partnership among the R&D, academy, industry, business and the community as a whole with the Government departments and agencies will be essential to accomplish the vision. Foreign investors and partners too have an important role to play. Now, I would like to discuss about one very important component of national development which is PURA.

The Mission of PURA (Providing Urban Amenities in Rural Areas)

The number of PURA units for the whole of India is estimated to be 7000. This envisages integrated connectivities to bring prosperity to rural area. These are - physical connectivity of the village clusters through quality roads and transport; electronic connectivity through tele-communication with high bandwidth fiber optic cables reaching the rural areas from urban cities and through Internet kiosks; and knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes. These three connectives will lead to economic connectivity through starting of enterprises with the help of banks, micro credits and marketing of the products. Each PURA cluster will connect about 20-30 villages depending upon the region and population and will cost about twenty million dollars. There are three types of PURA's: Plain terrain PURA, Coastal PURA and Hill PURA. This is a viable and sustainable business proposition. After initial short-term employment during construction etc., we have to plan for initiating actions for providing regular employment

and self employment opportunities in nationally competitive small enterprises in agro processing, manufacturing and services sectors for about 3000 people. If the industrial/business parks are marketed well, they can generate employment opportunities in support and services sector for about 10000 people. This will provide sustainable economy for the rural sector. In this national mission, bankers can promote entrepreneurship in the rural areas. This will lead to the removal of urban-rural divide. We have successfully experimented this PURA concept through the establishment of 4 PURA's in 4 States of India. We are progressing on this mission as a sustainable business proposition. Now, I would like to share two experiences of international technology partnership.

International technology Partnership

Brahmos: A Super Sonic cruise missile - a Joint Venture between India and Russia
b. Pan African e-Network: Connectivity solution between India and 53 Pan African countries for providing tele-education, tele-medicine and e-Governance services. An International Joint Venture ?
BRAHMOS: In order to achieve global competitiveness, the product must be world class with high quality, cost effective and must be available in time within the shelf life of the product. I would like to share a unique experience of design, development, production and marketing of a missile system - BRAHMOS, an Indo-Russian joint venture. What we have achieved through this venture is the development and realization of a world-class product using the synergy of technological competence and consortium of industries of partner countries. In addition, the product being internationally competitive, it is able to service a large market with availability in time and state of the art performance at reduced cost per unit. This will put India, a global defence exporter. Moreover, with minimum incremental investment the product has been developed and led to production and induction, at a relatively short time frame, well ahead of prescribed schedule. This has enabled early entry of the product into the world market well before any competitor could emerge. Therefore, I believe it is very important and urgent that we combine India's natural, human resources and huge market with Korean capital, technology and entrepreneurial skills. If we use our respective core competences for mutual benefit, we will be successful. I would like India and Korea to jointly emulate this example and design and develop products for civilian application both in the national and international markets. This will lead to a win-win situation for both countries and enable availability of products at a low cost for the customer countries leading to nations' wealth generation. Let me now talk to you on the Pan African e-Network.

Pan African e-Network: I would like to recall my address to the Pan African Parliament on 16 Sept 2004, at Johannesburg, South African which was attended by Heads of 53 member countries of the African Union. There, I announced the willingness of Government of India to provide seamless and integrated satellite, fiber optics and wireless network connecting all 53 African countries. This will provide three Connectivities: (i) Heads of the State Network for e-governance (ii) Tele-education network for higher education, skill enhancement and capacity building and (iii) Tele-medicine for providing health care and super specialty medi-care. Government of India has already commenced the project in partnership with African Union and it will be completed by early 2007. African Union announced that this Pan African e-Network project is exactly meeting the Millennium Development Goals of United Nations and India is a partner to realize this mission in association with African Union. Now I would like to discuss two concepts namely World Knowledge Platform and e-Business Network which will take our both nations economy into a higher trajectory of growth.

1. World Knowledge Platform: In ASIA region, our countries have over the years established certain core competence in different areas. If we can pool these competencies, we will be delivering a synergetic performance for the world market. Hence it is necessary to an institutional mechanism called World Knowledge Platform. This platform will enable joint design, development, cost effective production and marketing of the knowledge products in various domains based on the core competence of two nations. Initially, the mission is to connect the R&D Institutions, Universities and Industries using fiber broadband network between the nations on a selected R&D Missions in the areas such as Energy; Nano Science and Technology; Manufacturing, ICT Hardware, Software and network; Sensors, Automobile embedded systems and software; Gene Characterization and stem cell research; herbal and natural products.

2. E-business network The future of business definitely will be Asia. Increasingly the western countries and other leading business groups in the western economy are focusing towards Asian countries. There are two reasons for this. One is the tremendous market that this region possesses with an economic ascend phase. The second is the availability of knowledge based human capital in this region. With the western markets getting saturated, this region provides a huge opportunity to businesses to expand their market share. In this, the regional businesses can provide competition and get their due of market share. One of the best ways to do it is to set up a good E-business infrastructure. Business and trade community of India

and Republic of Korea can make this region an economically developed with robust E-business framework. This would lead to increased information sharing, education programmes and Knowledge connectivity among the regional partners. It can also result in realizing technology upliftment, business development, Joint ventures, free trade zone, employment generation and over all prosperity of the region.

Missions for our nations

A great chapter in India-Republic of Korea relations has created after the visit of President Roh Moooh Hyun to India in 2004. Since then India-Korea economic relations have grown substantially. Honorable members, I would like to summarize the actions resulting out of three day deliberations with the Republic of Korea.

1. Working towards increasing the bilateral trade from the present \$6 billion to \$ 15 billion before 2010.
2. Formation of a Joint Task Force of CEPA (Comprehensive Economic Partnership Agreement) including deliberations of Free Trade Area agreement within the next 6 months.
3. Enhancing people to people contacts at various levels; Parliamentarians, business persons; artists; academicians; scientists and those who deal with culture and literature.
4. Strengthening of the Civilizational heritage of two countries along with promotion of trade, investment, science and technology cooperation and security cooperation.
5. Enhancing the India and Korea participation in the Small and Medium Enterprises (SME) setup.
6. India and Korea will work towards Energy Independence through the promotion of Bio-fuel and solar energy.
7. Our both nations will work on Convergence of Technologies such as Nano-Bio-Info technologies.
8. Work together on the World Knowledge platform and e-business network.

I enjoyed Republic of Korea so much the snow, the mountains, the people, the buildings, the roads, everything has entered into me. We need to build a strong bridge between our people with a vision to build peace and prosperity in the world.

Conclusion

Dear Members of the National Assembly, so far I have discussed about integrated action for economic development, PURA and international joint ventures, World Knowledge Platform and E-business network. I have discussed with you our national programmes and challenges. India and Republic of Korea, with rich civilizational heritage and their respective core competence, can definitely have productive partnership in all these missions.

Hence, I recall the great saying of the Saint Maharishi Pathanjali in Yoga Sutra at 500 BC:

“When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bounds. Your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great and wonderful world. Dormant forces, faculties and talents come alive, and you discover yourself to be a greater person by far than you ever dreamt yourself to be.”

My best wishes to the Members of the National Assembly of Republic of Korea and the people of Korea for success in all their missions.

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254. Memorandum of Understanding for Cooperation Between the Indian Coast Guard and the Korea Coast Guard.

March 13, 2006.

The Indian Coast Guard (ICG) of the Republic of India and the Korea Coast Guard (KCG) of the Republic of Korea (hereinafter referred to individually as “the Side” and collectively referred to as the “Sides”);

Recognizing that transnational crimes at sea may pose a threat to the safety of navigation as well as the security of the two countries;

Recognizing also the need to ensure the safety of life at sea, safety of navigation and keeping the sea clean;

Have reached the following understanding;

Paragraph 1

1. The Sides will extend cooperation under this MOU within the area of their competence, in accordance with their respective laws and regulations and subject to the availability of appropriate funding.
2. The Sides will establish a communication link between the Indian Coast Guard and the Korean Coast Guard to facilitate exchange of information and enable expeditious cooperation on round the clock basis.
3. The communication link shall include telephone, fax and e-mail.
4. The Sides will cooperate with each other for the purpose of ensuring maritime safety and addressing transnational crimes at sea. The focus of the MOU will be on the following;
 - (i) Acts of transnational crimes at sea such as piracy, armed robbery, maritime crimes, trafficking in arms, drug trafficking, smuggling and illegal migration at sea.
 - (ii) Exchange of information concerning vessels, including persons, suspected of having involved in the activities falling within the scope of this MOU and travelling to or passing through the ports of the two countries.
 - (iii) Carrying out search and rescue operations at sea on the request of the other Side wherever feasible.

- (iv) Exchange of information on combating marine pollution, as mutually agreed
- (v) Exchange of expertise in areas falling within the scope of this MOU, as jointly decided upon

Paragraph 2

The Sides intend to cooperate in the following ways

1. Each Side will take expeditious action to assist the ships and crew of the other Side in its search and rescue region. The requested Side will inform the requesting Side of the results of the action taken.
2. The Side will cooperate in respect of the acts covered within the scope of this MOU which occur within the jurisdiction of the either Side

Paragraph 3

1. For the effective implementation of this MOU Sides will meet once in a year or as mutually agreed to discuss mutual concerns and ways to address transnational crimes at sea affecting the two countries. The meeting will be held alternatively in Republic of Korea and Republic of India.
2. The receiving Side will be responsible for conference facilities. Expenses for the visit will be borne by the visiting Side. Any other expense will be borne as jointly decided upon by the Sides

Paragraph 4

The visit of ships to each other's country with a view to promoting cooperative activities may be held in accordance with the decision made by the two Sides during the annual meeting. The areas of cooperation during the visit will be worked out jointly on an operational level of the two Sides.

Paragraph 5

This MOU will not affect the rights and obligations of the Sides pursuant to other bilateral or multilateral treaties, agreements or arrangements.

Paragraph 6

Any amendment to or revision of this MOU will be in writing and will enter into force in accordance with the procedure stipulated for the entry into force of this MOU.

Paragraph 7

Any issue arising out of the interpretation or application of the provisions of this MOU will be settled amicably through consultations or negotiations between the Sides.

Paragraph 8

This MOU will enter into effect on the date of exchange of notification informing the other Side of the completion of formalities necessary for its implementation in the domestic law and remain in effect for an initial period of five years. Thereafter, this MOU will be automatically renewed for successive five-year periods unless one Side notifies the other Side in writing six months in advance of its intention to terminate it. In witness whereof, the undersigned being duly authorized thereto by their respective Governments have signed this MOU.

Done Signed in duplicate at the day of 13 Mar 2006 in the Hindi, Korean and English languages, all texts being equally valid. However, in the event of a divergent interpretation the English text will prevail.

For the Indian Coast Guard

**(P Paleri)
Director General
Indian Coast Guard**

For the Korean Coast Guard

**(Seung Jae Lee)
Commissioner General
Korean Coast Guard**

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KOREA, DEMOCRATIC PEOPLE'S REPUBLIC OF

255. Remarks by Official Spokesperson on the Nuclear Test by Democratic People's Republic of Korea.

New Delhi, October 9, 2006.

We are deeply concerned at the reported nuclear test conducted by the DPRK. It is unfortunate that the DPRK has conducted such a test in violation of its international commitments, jeopardising peace, stability and security on the Korean Peninsula and in the region. The test also highlights the dangers of clandestine proliferation. We are monitoring the situation and are in close touch with several countries¹.

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1. Asked by reporters on board the Prime Minister's special plane traveling to UK and Finland for the India-EU Summit which "international obligations" North Korea had violated by nuclear testing senior officials speaking on background claimed the question of North Korea's membership of the NPT was not yet settled and that the test, in any case, violated the country's safeguards obligations with the IAEA. They said North Korea signed an "in perpetuity" safeguards agreement and this barred them from using any safeguarded material or facilities for a non-peaceful purpose. "In any case the North Korean test has happened not because they are outside or inside the treaty but because of clandestine proliferation," officials said. The Defence Minister Pranab Mukherjee terming the NPT "discriminatory and flawed" did not think that the North Korean test would impact security in the region. Asked about the alleged link between Pakistan nuclear scientist A. Q. Khan and DPRK nuclear establishment, Mr. Mukherjee said: "We have already made it very clear that we are against proliferation. We did not sign the NPT because it was a discriminatory and flawed treaty but we do not have quarrel with its basic objective of non-proliferation. Therefore, we are against the clandestine proliferation of nuclear technology and other technology that leads to manufacture of weapons of mass destruction." Mr. Mukherjee added that he did not think the Korean test would affect India – US civilian nuclear agreement as "our credentials in respecting non-proliferation are impeccable. I don't think there is a threat to the stability of the region but let us wait and watch." On December 7 in answering questions on the Korean test in the Rajya Sabha the Government reiterating its position added: "The United Nations Security Council unanimously adopted Resolution 1718 on October 14, 2006 imposing restrictive measures on transfers of certain categories of arms and related materials, luxury goods and weapons of mass destruction (WMD)-

relevant materials and technology. The Resolution also freezes financial assets, funds and economic resources related to the DPRK missile and nuclear programmes; and calls upon all Member States to take, in accordance with their national authorities and legislation, and consistent with international law, cooperative action including thorough inspection of cargo to and from the DPRK as necessary. A Sanctions Committee has been set up to monitor implementation and elaborate lists of banned items and entities.” Government of India did not think that the Korean test was going to impact in any way the India-US nuclear cooperation already in the pipeline. This was amplified in the Rajya Sabha on December 7 in answering a question. It was stated that: “The Indo-US nuclear understanding enjoys broad bi-partisan support reflected in the large majorities by which both Republicans and Democrats voted in favour of the Bills to enable full civil nuclear energy cooperation with India in the US House of Representatives and the Senate. Out of 201 Democrats in the House of Representatives, 140 voted in favour of the Bill. In the Senate, where the vote took place after the mid-term election results were announced, 32 out of 44 Democrats voted for the Bill. Support from the Democrats included senior Democratic leaders in both the Houses. The India-US nuclear understanding is based on its own merits with a view to addressing India’s growing energy requirements. It cannot be linked either to North Korea’s nuclear test or Iran’s nuclear policy.”

LAOS

256. Press Release of the Embassy of India in Vientiane on the visit of Minister of State E. Ahamed to Laos to attend the 5th India-Lao Joint Commission Meeting.

Vientiane, May 28, 2006.

1. The 5th Indo-Lao Joint Commission Meeting was held on 27 May, 2006 in Vientiane. The Indian delegation to the 5th Indo-Lao Joint Commission led by His Excellency Mr. E. Ahamed, Minister of State for External Affairs of India was composed of senior officials from the Ministry of External Affairs, Ministry of Agriculture, Ministry of Commerce, Ministry of Finance, Ministry of Information Technology and Indian Council for Cultural Relations (ICCR), Government of India.
2. During his visit to Laos, His Excellency Mr. E. Ahamed, Minister of State for External Affairs, held discussions with his counterpart His Excellency Mr. Phongsavath Bouppha, Vice Minister of Foreign Affairs of Lao PDR. Mr. Ahamed also called on His Excellency Mr. Bounnhang Vorachit, Prime Minister of Lao PDR.
3. The India-Lao PDR Joint Commission on Trade, Economic, Scientific and Technological Cooperation discussed cooperation between the two countries in the areas of agriculture, grant aid and credit, trade and investment, mining and industry, transport and tourism, education and culture and science and technology, ICT and defence.
4. Lao PDR has been a recipient of Indian grant and loan assistance for projects and technical cooperation under the ITEC programme. There was also an exchange of views on bilateral relations and the regional and international situations. At the conclusion of the Joint Commission Meeting, the two co-Chairmen of the India-Lao PDR Joint Commission, Mr. E. Ahamed and Mr. Phongsavath Bouppha signed the Agreed Minutes of the Meeting.
5. Minister of State for External Affairs, Mr. E. Ahamed inaugurated the National Data Centre for the Lao PDR Government. The Data Center has been established by the National Informatic Centre (NIC), Government of India under the India-Lao bilateral Cooperation on Information and Communication Technology. It is the first State-of-the-Art Data Center set up in Lao PDR. This National Data Center

will be the hub centre of major e-governance activities of Lao PDR. The Data Centre will host and integrate all the proposed e-governance applications, which the Government of Lao will implement over the years. A full-fledged Messaging Server has been hosted in the data centre that can cater to all the messaging requirements of the officials of Lao PDR at different levels (Ministries/ Departments/Provinces and Districts) for the exchange of information/data and email services. The Data Centre also hosts generic IT services like National level DNS, Database Servers, Web and application servers etc.

6. India and Laos enjoy long standing, friendly and mutually supportive relations. Our bilateral relations are based on profound historical and cultural linkages that take us back over 2000 years. Cultural contacts and exchanges between our two nations have been taking place for several centuries. Buddhism is amongst our oldest links. India looks forward to consolidating and further strengthening our ties with the Lao PDR.
7. The 5th Indo-Lao Joint Commission took place during the 50th anniversary of establishment of diplomatic relations between our two countries. Over the last 50 years, India and Laos have worked closely and bilateral relations have been strengthened with exchanges in the political, economic, educational, defence, cultural and other spheres at all levels.
8. The first Prime Minister of India, Pandit Jawaharlal Nehru visited Laos in 1954. People in Laos still fondly recollect this historic visit, which strengthened and formed the basis of our close ties after India's independence.
9. During the last four years, there have been two Prime Ministerial visits from India. The most recent was that of Prime Minister Dr. Manmohan Singh, who attended the very successful 3rd India-ASEAN Summit. His Excellency Prime Minister of Laos and several high level Ministers from Laos have visited India during this period.
10. Our relations have been energized, and given greater impetus and substance and dynamic content with a number of concrete bilateral cooperation projects in the power, IT, entrepreneurship development, defence, human resource development and capacity building sectors.

MALAYSIA

257. Agreement on Cooperation between Malaysian Institute of Strategic and International studies and the Indian Council of World Affairs.

Kuala Lumpur, May 30, 2006

The Indian Council of World Affairs (ICWA), New Delhi, and **the Institute of Strategic and International Studies (ISIS)**, Malaysia hereinafter referred to as "the Parties";

Intending to contribute to the further development and strengthening of traditional relations of friendship between the two countries; and

Recognising the importance of establishing mutual cooperation between the two institutions;

Have reached the following understanding:

1. The Parties shall cooperate in the fields of mutual interests which interalia include:
 - a) Mutual exchange of delegations and persons for sharing of information and experience, for participation in conferences, seminars and symposia;
 - b) Exchange of interns;
 - c) Exchange of academic literature, public relations, text books and other materials;
 - d) Promotion of joint research programmes; and
 - e) Holding of joint symposia and conferences.
2. The Parties shall mutually agree on the financial and other terms of the above cooperation and determine such other mutually agreed programmes.
3. The present agreement shall come into effect from the date of the signature and shall remain in force for a period of five years, thereafter it can be extended automatically for a single period of time unless either party gives to the other six months advance notice in writing of its intention to terminate this Agreement.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

Done at Kuala Lumpur on this 30th day of May 2006 in two originals in English language.

(Talmiz Ahmad)
Director General
Indian Council of World Affairs,
Sapru House, New Delhi

(Dato' Mohamed Jawhar Hassan)
Chairman & Chief Executive Officer
Institute of Strategic and
International Studies, Malaysia

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MYANMAR

258. Press Briefing by Foreign Secretary Shyam Saran on the Visit of President Dr. A.P.J. Abdul Kalam to Myanmar and Mauritius.

New Delhi, March 7, 2006

Please See Document No. 373

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259. Address by President Dr. A.P.J. Abdul Kalam to the Union of Myanmar Federation of Chambers of Commerce and Industry.

Yangon, March 10, 2006.

Partnership for growth of Commerce and Industry in Myanmar

I am indeed delighted to be here to participate in the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). I attach special significance to the fact that this Chamber is a premier body of business and industry in Myanmar. My greetings and best wishes to the growth of industries particularly value added industries in Myanmar leading to the prosperity of the nation.

I am happy to note that the UMFCCI is participating in the implementation of the four economic objectives of the State namely: -

- | Development of all sectors of the economy keeping agriculture as the base.
- | Evolution of a market-oriented economic system
- | Development of the economy through technological and financial participation from multiple sources within the country and abroad.
- | Shaping of the national economy must lie with the State and the people.

With these objectives in view, your Federation is acting as a bridge between the State and the Private Sector through your vast network of affiliated chambers and association.

Volume of Trade and Business

As per the 2003-04 estimates the volume of bilateral trade between Indian and Myanmar is around US \$ 470 million. We need to work out a method by which we can aspire to increase this volume to around US \$ 2 billion within the next three years using MoUs signed by UMFCOI with the Confederation of Indian Industry (CII) and the Bengal Chambers of Commerce and Industry. To achieve this target, a systematic and synergetic policy needs to be drawn up, using the core competence of India and Myanmar. India has achieved a good standing in the international arena in the area of Information and Communication Technology. In addition, Indian pharmaceutical industries are producing cost effective drugs. India's manufacturing industries are having a new resurgence in automobiles, textiles, machine tools etc. The automobile industry is producing competitive cars and automobile spare parts and the textile industry apart from producing textiles is manufacturing state-of-the-art textile machinery. The agro-food processing industries are on a growth path. The construction industry has made rapid strides in making excellent infrastructure like ports, roads etc. Our energy sector is also active in gas and oil exploration and its effective commercialization. Similarly, Myanmar has exhibited strength in the areas of agriculture, forestry, mining and energy sources. Vast areas of land particularly on the banks of the Irrawaddy River can be used for quality and quantity production of cotton and rice. I remember that Myanmar has had a history of supplying rice to many parts of Asia and has the potential to supply quality rice. We should make full use of the two border posts namely; Moreh-Tamu and at Zowkhathar-Rhi for providing an impetus for the growth of bilateral trade.

We are working seriously on the India-Myanmar-Thailand trilateral highway which is likely to commence soon. We are also, working towards the development of a hydro-electric power project at Tamanthi which has the potential of generating nearly 1000 MWs of power. Our two countries are also co-operating in the hydrocarbon sector near the Rakhine coast. Another major project is the Kaladan multi-modal transport project that aims to connect Mizoram with Sittwe apart from co-operation in the railway sector. Port facilities also may be energized for the mutual benefit of Myanmar industry and agriculture, as well as India; especially our North-Eastern States. India is also willing to create an arrangement with Myanmar for supply of general medicines in a cost effective manner.

Ambience of the Nation

The Indian economy is an ascending trajectory. Our foreign exchange reserves are continuously growing, the rate of inflation is coming down and our technological competence is being globally recognized. With the energy of 540 million youth, umbilical connectivities of 20 million people of Indian origin in various parts of our planet, and the interest shown by many developed countries to invest in our engineers and scientists including the setting up of new R&D centers, India is in a position to embark on innovative projects. India with its one billion people with multi-cultural, multi-language and multi-religious backgrounds, has chosen the path of democracy since its independence in 1947. India's technological competence and value systems with civilization heritage are highly respected. Foreign Institutional Investors (FII's) also find investing in India attractive. Indians are also investing abroad and are opening new business ventures. Indian Foreign Direct Investment in British capital is second only to that of the USA and Indian FDI projects in Europe has increased from just 5 to 119 during the period 1997 to 2004. Indian industry is very keen to invest in Myanmar's infrastructure projects. India's GDP has grown at 8.1% in the year 2005-06 and we expect to reach a 10% growth rate very soon. We would definitely like to share our experiences with Myanmar in promoting economic growth of both our nations. It will be of special significance to the Indian people as we share a lot of common civilizational heritage.

India's Look East Policy

We recognise today that India-Myanmar relations have an important bearing on the peace, stability and development of our region and the Asian continent. With the irreversible trend of regional integration in Asia, we increasingly look at Myanmar as a key element in our "Look East" policy and a trusted partner in our vision for a dynamic and vibrant Pan-Asian Community of peace and prosperity. We are encouraged by the current momentum in our relations with growing exchanges and cooperative ties in a wide range of areas. We are working together to expand and enrich the political and economic content of our relationship. It is our shared endeavor to foster closer people-to-people contacts and strengthen our exchanges in agriculture, industry, services, education, Science and Technology and in the cultural fields. We have initiated certain discussions for strengthening of the ASEAN, which has to be further reinforced by both India and Myanmar. The networking of ASEAN countries and India with physical and electronic connectivity will definitely bring a higher level of prosperity to the whole region through enhanced trade and business. We

can also make specialised interconnectivities between Myanmar and India suited to realize our mutually shared vision for our economic, trade and Human Resource Development relations.

Skill Development and Capacity Building

Skill development is integral for productive development of manpower in any economy, the scope and extent of skills prevalent in an economy contributes to its global competitiveness and is recognized as a key element in poverty reduction strategies, aimed at achieving social inclusion and equity. The Confederation of Indian Industry (CII) has prepared a roadmap for India to participate in the world skills competition. We have a robust programme of measuring skills on a global platform which will enable our industry to bench mark skills available with them on the global scale. CII will be very happy to share its experiences with the Union of Myanmar Federation of Chambers of Commerce and Industry and create a programme for development of skills amongst Myanmarese youth needed for the global economy. Here, I recall an interaction with a set of trained youth from Afghanistan who were trained in skills. We welcome such proposals.

Information Technology (IT) Parks

The addressable market for global off-shoring exceeds over US \$ 300 Billion presently, which is expected to increase to \$400 billion within the next 3 years. Presently, we are using only a fraction of this global off shoring business. What is needed is creating awareness among various prospective customers, about the win-win solution through the global off-shoring route. When we succeed in doing this, we have to create institutions, infrastructure and skilled human resources that can service the needs of industry competitively. It has to be of high quality in performance, it has to be cost effective and just-in-time delivery. One of the solutions through which we can achieve this goal rapidly is through the creation of industrial parks and IT Parks, where common facilities are provided to all participating units cost effectively thus ensuring competitiveness of these units, as they have to face severe global competition. India will help in establishing IT Parks on the lines of STPI (Software Technology Park of India). You may perhaps call them STPM (Software Technology Park of Myanmar) or some other such name. We would like to share our thoughts with Myanmar.

PURA some experiences

I will now address another important area. That is to reach the benefits of economic growth to all people. In addition to being a noble cause, it also

helps expand the domestic market for industry. Thus, it is also a good business proposition. In Myanmar, like in India, most people live in rural areas. It is essential to bring economic prosperity to people living in rural areas. We have a development programme called PURA (Providing Urban Amenities in Rural Areas) aimed at promoting Rural Prosperity and prevent migration from rural to urban areas. I am sure; this programme will be relevant to Myanmar also. I would like to share with you an operational PURA in one of the states of India through private initiative. PURA envisages four connectivities, which are Physical Connectivity, Electronic Connectivity, Knowledge Connectivity leading to Economic Connectivity. PURA is a business proposition.

Periyar PURA (Tamil Nadu): I have inaugurated the Periyar PURA complex pioneered by Periyar Maniammai College of Technology for Women a year ago. This PURA complex located near Vallam, in Thanjavur District of Tamil Nadu in Southern India has a cluster of over 65 villages with a population of 3 lakh. This complex has all three Connectivities - physical, electronic and knowledge - leading to economic connectivity. The center of activity emanates from the women's engineering college that provides electronic and knowledge connectivity. Periyar PURA has healthcare centers, primary to post graduate level education and vocational training centers. This has resulted in large-scale employment generation and creation of number of entrepreneurs with the active support of 850 Self-Help Groups. Two hundreds acres of wasteland has been developed into cultivable land with innovative water management schemes such as contour ponds and water sheds for storing and irrigating fields. All villagers are busy in cultivation, planting *Jatropha*, herbal and medicinal plants, power generation using bio-mass, food processing and above all running marketing centres. This model has emanated independent of any government initiative. Committed leadership has been provided by the Engineering institution. Recently, 5 villages of Periyar PURA were connected through Wi-MAX Wireless and are having a minimum of 4 mbps connectivity with the Periyar PURA Nodal centre. This provides sustainable economic development in that region. This gives me the confidence that PURA is a realizable proposition and this movement can be multiplied by thousands of entrepreneurs, educational administrators, small-scale industrialists and bankers with the support of government agencies. In the climate of Myanmar, the *Jatropha* plantation which I have suggested will definitely grow well. UMFCCI may consider establishment of *Jatropha* enterprises as part of PURA in different parts of rain fed areas of the country from plantation to oil extraction and

esterification including processing of bi-products, such as oil cake and glycerin. The Tamil Nadu Agriculture University and Anand Agriculture University who have certain experience in Jatropha Plantation leading to bio-fuel extraction can definitely share their experience and knowledge with UMFCCI members.

Conclusion

In conclusion, friends, India has a mission of transforming itself into a developed nation before 2020. India has core competence in agriculture, agriculture products, large number of small and medium scale industries, ICT products, pharma products including traditional medicines. Also India has the capability of launching its own resource and communication satellites. Already in some areas, partnership and cooperation exists between India and Myanmar. My visit to Myanmar is to enhance this cooperation between the two countries.

There are tremendous potential in the areas of power generation, gas transportation, road connectivity and satellite communication. Above all there is a need for renewal of agriculture production in Myanmar as it was in the past. There are number of opportunities for cooperation between India and Myanmar in Commerce and Industry. I visualize a great future for Myanmar towards development and economic prosperity. India will be very happy to be a partner in the development of agriculture, manufacturing and services sector of Myanmar. Let us remember youth force is the most powerful resource, both our countries cherish. With a clear vision and missions, we can definitely progress in evolving a prosperous and happy world.

My best wishes to all the members of the Union of Myanmar Federation of Chambers of Commerce and Industry.

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260. Memorandum of Understanding on Cooperation in Buddhist Studies between Indian Council for Cultural Relations, Government of the Republic of India and Ministry of Religious Affairs, Government of the Union of Myanmar.

Yangon, March 9, 2006.

Bearing in mind the close cultural and historical relations between the two countries, and;

Desiring to strengthen these relations further with cooperation in education and culture related to Buddhism and to promote cooperation between the peoples of the two countries;

Have reached the following understanding:

1. The following Institutions, where Pali and Buddhism are taught and promoted as a subject, will be partner institutions under this MoU:

In India:

- (i) Nava Nalanda Mahavihara, Nalanda - 803111. Bihar, Ph: 0091-6112-281820. Fax: 281505.

In Myanmar:

- (i) State Pariyatti Sasana University. Yangon and Mandalay. Department for the Promotion and Propagation of the Sasana, Ministry of Religious Affairs, Yangon (Kaba-aye) Tel.01-665677, 01-665385, Fax-01-660759.
- (ii) International Theravada Buddhist Missionary University-Yangon, Dhammapala Hill Mayangone, Myanmar, Ph. 01-650706.
- (iii) Sitagu International Buddhist Academy, Sagaing Hills, Sagaing, Myanmar, Tel. 072-21587 (Registrar's Office).

Education related to Buddhism

2. Identification and preparation of database of the traditional centres of Buddhist studies like monasteries, viharas etc. between the two countries where both theory and practice are taught. This database will help in identifying the students and traditional scholars for exchange programmes between the two countries.

3. Exchange of students and teachers for the study of Buddhism between the two countries specially in Pali and Abhidhamma.
4. Exchange of erudite monks and scholars of Buddhism between the two countries.
5. The two countries would cooperate to preserve and promote the words of Lord Buddha and commentaries thereon both in book form as well as electronically in the CD-ROM format.
6. Compilation and publication of glossaries of Buddhist terms in the languages of the two countries.
7. Translation and exchange of materials of the words of Lord Buddha (Tipitaka) and other relevant material connected with Buddhism and Indian Culture in English, Pali, Sanskrit, Hindi, Myanmar between the two countries.
8. Holding of Conferences and Seminars related to different aspects of Buddhism and Indo-Myanmar Culture between the two countries.

Culture related to Buddhism

9. Programme of conservation and preservation of old MSS between the two countries.
10. Establishment of data-bank providing information about Buddhism prevailing in both countries with reference to art and customs.
11. Exchange of Buddhist iconographical inscriptional material and knowledge between the two countries.
12. Joint exhibition of Buddhist art and architecture, iconography, literature etc. depicting development of Buddhism between the two countries.

Done in Yangon on this date of 9th March, 2006 in two originals in the English language.

**FOR THE INDIAN COUNCIL OF
CULTURAL RELATIONS
THE GOVERNMENT OF THE
REPUBLIC OF INDIA**

**(SHYAM SARAN)
FOREIGN SECRETARY**

**FOR THE GOVERNMENT OF
THE UNION OF MYANMAR**

**(BRIG-GEN. THURA AUNG KO)
DEPUTY MINISTER
MINISTRY OF RELIGIOUS AFFAIRS**

261. Framework Agreement for Mutual Cooperation in the Field of Remote Sensing between the Government of the Republic of India and the Government of the Union of Myanmar.

Yangon, March 9, 2006.

The Government of the Republic of India and The Government of the Union of Myanmar (herein after referred to as the "Parties"),

DESIRING to strengthen the traditional relations of friendship and cooperation between the two countries;

DESIRING to establish effective forms of bilateral cooperation in the field of remote sensing that would promote social and economic development for the benefit of the peoples of their countries;

AIMING to encourage commercial and industrial cooperation between the private sectors of both countries for peaceful uses of outer space;

HAVE AGREED AS FOLLOWS:

ARTICLE 1
Applicable Law

In accordance with the legislation in force in each State and universally accepted norms and principles of international law, the Parties shall promote cooperation between the two countries in the field of outer space research and use of outer space for peaceful purposes.

ARTICLE 2
Implementing Agencies

1. The Parties hereby appoint the Antrix Corporation Ltd. (ANTRIX) and Myanmar Economic Cooperation (MEC) respectively as the Implementing Agencies responsible for the development, coordination and control of cooperation envisaged by the present Agreement.
2. The Parties or the Implementing Agencies within the limits of their competence may designate other institutions to develop cooperative programs in areas enumerated in the Article 3 below.

ARTICLE 3

Areas of Cooperation

1. Cooperation within the framework of the present Agreement may be carried out in the following areas:
 - | Remote sensing data reception, processing and applications;
 - | Operation of satellite ground station for receiving remotely sensed data from Indian Remote Sensing Satellites;
 - | Organisation of training facilities and programs.
2. Additional areas of space cooperation shall be determined by mutual agreement between the Parties.

ARTICLE 4

Roles and Responsibilities of each Party

1. **Responsibilities of MEC of the Government of the Union of Myanmar**
 - | Space for housing the facilities
 - | Full local hospitality for visiting Indian experts
 - | Expenditure for annual maintenance
 - | Operation of the Reception and processing facility
 - | Upgrade of the existing reception and processing facility to receive and process Resourcesat-1 and Cartosat-1 data of the Indian Remote Sensing satellite constellation.
2. **Responsibilities of Antrix/Department of Space, Government of the Republic of India**
 - | Setting up the proprietary hardware and software systems enabling the reception of Resourcesat-1 and Cartosat-1 data at the ground station in the Union of Myanmar through Antrix as per separately agreed commercial terms, if the Government of the Union of Myanmar is interested to do so.
 - | Providing on-site installation support as well as extended support for the processing of Resourcesat-1 and Cartosat-1 data through Antrix as per separately agreed commercial

terms, if the Government of the Union of Myanmar is interested to do so.

Providing telemetry data as downlink to the Myanmar ground station for Resourcesat-1 and Cartosat-1 as per the commercial agreement with Antrix with a subsidy from the Government of the Republic of India as agreed in Article 5.

ARTICLE 5

Subsidy for access of telemetry data

Government of the Union of Myanmar will receive a subsidy of USD 600,000 (US dollars six hundred thousand only) annually from the Government of the Republic of India, for a period of 3 years on the access fee US\$ 1,600,000 (US Dollars One Million and six hundred thousand only) payable to Antrix annually for the reception of Resourcesat-1 and Cartosat-1 data using the facilities of Myanmar Ground Station available with MEC, Union of Myanmar.

ARTICLE 6

Rights of Data

The Parties recognize that the rights in the IRS data down linked to the MEC ground station lie with Antrix.

ARTICLE 7

Data Sharing

The Parties agree that the IRS data received at MEC ground station, if required, will be made available to the Government of the Republic of India in appropriate forms mutually agreed between MEC and Antrix.

ARTICLE 8

Intellectual Property

Unless otherwise agreed to by the Parties, the intellectual property, created by using IRS data received at the ground station shall be shared by both Parties and copyrights of the IRS data used to create such intellectual property shall be duly credited to Antrix.

ARTICLE 9

Exchange of Information

1. Observing the conditions of confidentiality, the Parties, their Implementing Agencies and other appointed institutions shall provide access, on a mutual basis and within a reasonable time, to the results

of scientific research and work jointly carried out within the framework of this Agreement. To that end, they shall encourage the exchange of corresponding scientific and technical information and data, which cannot be transferred to third parties without prior mutual consent.

2. The Parties, through their Implementing Agencies, according to their national law concerning the information of limited access, shall facilitate the mutual exchange of information concerning the issues related to this Agreement.

ARTICLE 10

Customs Regulations and Exchange of Personnel

1. Subject to its national legislation, each Party will:
 - a) Arrange for customs clearance and payment of duties, if any, for the entry of equipment required for the implementation of the Cooperative Programs carried out within the framework of this Agreement.
 - b) Regarding the exchange of personnel, take necessary measures to facilitate the documentation for entry, stay and exit for the other Party's nationals who enter, stay and exit within its territory in order to carry out activities under Cooperative Programmes established under this Agreement.
2. Such arrangements shall be fully reciprocal.

ARTICLE 11

Liability

The Parties and their respective Implementing Agencies commit to the establishment, as part of each Implementing Arrangement and Cooperative Programme, of a specific system of assuming responsibility for the respective losses and damages. The Parties shall ensure, consistent with their respective national laws, that contractors, subcontractors and other participating entities associated with the Parties take part in this particular system of responsibility.

ARTICLE 12

Settlement of Disputes

Any disputes concerning the interpretation and implementation of the present Agreement shall be settled by means of direct negotiations

between the Parties or by any other means agreed upon by the Parties and recognised by International Law.

ARTICLE 13
Entry into Force Provisions

1. The present Agreement shall enter into force on the date of last notification upon the fulfillment by the Parties of their internal legal procedures necessary for this purpose.
2. The present Agreement will remain in force for a period of three (3) years and may be extended for further periods on mutual agreement. Either Party through a diplomatic Note may terminate this Agreement. The termination shall take effect six (6) months following the date of the notification.
3. In the event of the termination of the present Agreement, its provisions shall continue to apply to all unfinished programs and projects if the Parties do not agree otherwise. The termination of the present Agreement shall not serve as the basis for the revision or termination of obligations of a financial or contractual nature still in force and shall not affect the rights and obligations of legal persons and citizens concerned, which have arisen before the termination of the present Agreement.

Done in Yangon on 9th March, 2006 in two originals in the English language.

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA**

**FOR THE GOVERNMENT OF
THE UNION OF MYANMAR**

**SHYAM SARAN
FOREIGN SECRETARY**

**U KYAW THU
DEPUTY MINISTER FOR
FOREIGN AFFAIRS**

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262. Press Release of the Ministry of External Affairs on the seventh round of Foreign Office Consultations between India and Myanmar.

Yangon, June 20, 2006.

The seventh round of Foreign Office Consultations between India and Myanmar was held in Yangon on 18 June 2006. The Indian side was led by Foreign Secretary Mr. Shyam Saran who was accompanied by senior officials of the Ministry of External Affairs. The Myanmar side was led by Deputy Foreign Minister Mr. U Kyaw Thu and senior officials and advisers of the Government of the Union of Myanmar.

The talks covered the entire gamut of India-Myanmar bilateral relations, with special emphasis on issues such as security, energy, trade & economic cooperation and infrastructure projects. While noting the excellent state of bilateral ties, both sides explored ways and means to exploit the immense potential for cooperation that exists in areas such as energy and trade. Both sides agreed to take expeditious steps to implement infrastructure projects which were in different stages of negotiation. The two sides also took stock of the common security challenges facing their respective countries and stressed the need for keeping their borders peaceful and tranquil.

Myanmar is a close and friendly neighbour of India which provides us a “gateway” to ASEAN. The strategic importance of our ties with Myanmar can therefore be hardly overemphasized. Rashtrapatiji’s state visit to Myanmar in March 2006 was an important milestone in bilateral relations. The present Foreign Office Consultations with Myanmar provided an excellent opportunity to take follow-up action on that visit and outline further steps that needed to be taken to enhance bilateral cooperation in various spheres.

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263. Press Release of the Ministry of Home Affairs on the meeting between the Home Ministers of India and Myanmar.

New Delhi, December 21, 2006.

Various issues of mutual interest and concern to India and Myanmar including those relating to security, drug trafficking and effective border management were discussed here today at a meeting between the Home Minister of Myanmar, Major General Maung Oo and Union Home Minister, Shri Shivraj Patil. Both the sides assured full co-operation with each other in this regard. Shri Patil assured the visiting dignitaries of all possible assistance in the field of training and capacity-building of the Myanmar Home Ministry officials. The visit of Major General Maung Oo has provided a renewed impetus for widening and deepening of the India-Myanmar relations.

Major General Maung Oo has come to India along with a four-member delegation on the invitation of Shri Shivraj Patil. Prior to its arrival in New Delhi yesterday, Myanmar delegation visited Bangalore and Hyderabad from 17th to 20th December. The delegation visited the Indian Space Research Organisation (ISRO) and the Hindustan Aeronautics Ltd. (HAL) at Bangalore and the National Police Academy and the software development facility of a leading firm at Hyderabad. Major General Maung Oo yesterday visited a Compact Disc Manufacturing Unit at Greater Noida, UP. During these visits, the Myanmar delegation appreciated technological advancements made by India in space research, aeronautics and information technology fields.

Myanmar Home Minister also extended invitation to Shri Patil on his behalf and on behalf of the head of the Government of Union of Myanmar to visit Myanmar at his earliest convenience.

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The Philippines

264. Statement to Media by Secretary (East) Ministry of External Affairs Rajiv Sikri on the Visit of President Dr. A.P.J. Abdul Kalam to Philippines.

New Delhi, January 30, 2006.

Please See Document No. 248

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265. Presentation by President Dr. A.P.J. Abdul Kalam to ADB Team during his visit to Manila.

Manila, February 4, 2006.

I am delighted to meet the team of the Asian Development Bank (ADB). My greetings to the President, ADB and all the team members. Today, I would like to present the PURA concept being followed by the Government of India for enhancing the quality of life of seven hundred million rural people living in six hundred thousand villages.

Economic Connectivity for PURA

Providing Urban facilities in Rural Areas (PURA) consisting of four connectivities: physical, electronic, knowledge and there by leading to economic connectivity to enhance the prosperity of clusters of villages in the rural areas. The economic connectivity will generate a market and the production establishments for servicing the market. The PURA has all the dimensions to become a business enterprise, which has global dimensions but operating in every nook and corner of our country. The PURA entrepreneur has to have the skill for evolving a business plan with banks and also create infrastructural support such as educational institutions, health centres and small scale industries, transportation services, tele-education, tele-medicine, e-governance services in the region integrating with the governmental rural development schemes such as road, communication and transport and also with national and global markets to sell the products and services.

PURA Model

Depending upon the region and the state of present development PURA can be classified in three different categories, namely Type A, Type B, Type C - PURA Clusters. The characteristics features of these types are given below: For example, Type A Cluster is situated closer to an urban area and having minimal road connectivity, limited infrastructure, limited support - school, primary health centre. Type B Cluster is situated Closer to urban area but has sparsely spread infrastructure and no connectivity, Type C Cluster located far interior with no infrastructure, no connectivity and no basic amenities. In addition to this there are coastal PURAs and Hill PURAs.

Criteria for PURA Clusters

Type A Cluster may be with the Population of 30,000 to 1,00,000 in about 10 to 15 villages with adequate land for 4 lane circular road, with out having Canals, Rail and Power line obstacles, ensuring minimum displacement of people, and preferably falls within the district jurisdiction. Similar criteria need to be worked out for B and C clusters.

PURA Enterprise

The small and medium industry enterprises in India have experience in managing the small and medium scale industries of different types in various regions. This sector is widespread in the country and is a promising candidate for taking the leadership and managing the PURA complexes in an integrated way. Also major businesses in India with wide spread rural services have an experience of maintaining large rural-urban networks. PURA enterprises can undertake management of schools, health care units, vocational training centres, chilling plants, silos and building a market, building of local industrial / ICT parks, tourism services, banking system and the regional business or industrial units. A new management style has to emerge for managing such type of PURA enterprises. This new PURA enterprise needs partnership from the bank, educational institutions, Government and the private entrepreneurs. The management system should have the flexibility to be competitive and the country has to experiment several models depending on local needs. Now I would like to discuss some of the operational PURAs in India.

Periyar PURA (Tamil Nadu): I have inaugurated Periyar PURA complex pioneered by Periyar Maniammai College of Technology for Women, Vallam, Tanjore a year back. I thought of sharing with you the developmental concept of a cluster of over 65 villages near Vallam, Thanjavur district of Tamil Nadu that involves a population of 3 lakh. This

PURA complex has all the three Connectivities - physical, electronic and knowledge - leading to economic connectivity. The center of activity emanates from the women engineering college that provides the electronic and knowledge connectivity. Periyar PURA has health care centers, primary to post graduate level education and vocational training centers. This has resulted in large-scale employment generation and creation of number of entrepreneurs with the active support of 850 self-help groups. Two hundreds acres of waste land has been developed into a cultivable land with innovative water management schemes such as contour ponds and water sheds for storing and irrigating the fields. All the villagers are busy in cultivation, planting *Jatropha*, herbal and medicinal plants, power generation using bio-mass, food processing and above all running marketing centres. This model has emanated independent of any government initiative. The committed leadership has been provided by the Engineering institution. Recently, 5 of Periyar PURA villages are connected through Wi-MAX Wireless and having min 4 mbps connectivity with the Periyar PURA Nodel centre. It provides a sustainable economic development in that region. This gives me the confidence that PURA is a realizable proposition and this movement can be multiplied by thousands of entrepreneurs, educational administrators, small-scale industrialists and bankers with the support of the government agencies.

PURA - Loni Model (Maharashtra): Recently, I visited a place called Loni in Maharashtra where a participative model of integrated rural development has come up among 44 villages with the population of 80 thousand. The Loni PURA model has been pioneered by Pravara Medical trust. It is improving the productivity of the rural people through improved quality of life with healthcare, education and employment. The concept is people centric development for social transformation. The thrust area of development has been on comprehensive Medicare particularly for women and children, need based health education and e-connectivity to the farmers. The complex has created 27 educational and vocational institutions consisting of schools, colleges, polytechnic and ITI including medical and engineering colleges. They have created sugar factory, biogas plants, chemical plants and power projects. They have large number of self-help groups for providing low interest loan for the weaker sections in the society. Due to the co-operative effort of the people, literacy in these villages has gone up from 63% to 83%, birth rate has come down, infant mortality rate has decreased to 35 per 1000 from 70 per 1000 and the standard of living of the people has gone up by over 20% compared to other villages in the neighbouring areas.

Chitrakoot PURA (Madhya Pradesh): Recently I visited Chitrakoot in Madhya Pradesh, where I met Shri Nana Deshmukhji (Age 90) and his team members belonging to Deendayal Research Institute (DRI). DRI is a unique institution developing and implementing a village development model, which is most suited for India. DRI understands that people's power is more potent, stable and enduring than political power. By becoming one with the oppressed and depressed, one gains the acumen of administration and governance. Social advancement and prosperity are possible only by injecting the spirit of self-reliance and excellence in the younger generation. Using this principle, DRI has plans to develop one hundred clusters of villages having approximately five villages each around Chitrakoot. They have already developed 80 villages in 16 clusters consisting of about 50,000 people. I witnessed one of the villages called Patni where the institute has promoted sustainable development based on indigenous and traditional technology, knowledge systems and local talents. The research work by the institute through field studies facilitates the development of replicable and tangible model for achieving self-reliance in villages. The programme aims at income generation through value addition, innovative agricultural practices, inculcating scientific temper among the villagers, improvement of health and hygiene, striving towards 100% literacy. As a part of integrated rural development, the villagers are doing water harvesting; effectively use it for cultivation of food grains, medicinal and aromatic and horticulture cultivation. Apart from all these development activities, the institute is facilitating a cohesive conflict free society. As a result of this, I understand that the eighty villages around Chitrakoot are almost litigation free.

The villagers have unanimously decided that no dispute will find its way to court. The differences will be sorted out amicably in the village itself. The reason given by Nana Deshmukhji is that if the people fight among each other they have no time for development. They can neither develop themselves nor the community. This message has been understood by the society and they have decided not to embark on any fighting. All these have been accomplished through DRIs "samaj-shil-pi dampati" (a graduate married couple) a new concept of counseling and intervention promoted by DRI. It was a great joy for me to take lunch with Patni village citizens. A new road connecting multiple villages in the Chitrakoot area is taking shape. In the same Chitrakoot environment there is another social organization called Shri Sadguru Seva Sangh trust is carrying out number of social activities including the running of quality eye care center. In a rural environment, I find a revolution is taking place due to the committed leadership to remove the human pain.

Byrraju PURA: Recently, on 9th January 2006, I visited Bhimavaram in Andhra Pradesh where I saw Byrraju PURA set up by Byrraju Foundation which is established by a software industry. This Foundation has undertaken the mission of establishing 32 Ashwini centers benefiting 116 villages with the population of around 500,000 people. It has provided the electronic connectivity and knowledge connectivity. It has skill enabled and knowledge enabled in multiple areas and created 3000 jobs with the minimum earning of Rs. 3,000 per month, this is 3 times that of their earlier earning potential. They have created a Gram IT BPO which has brought 10% reverse migration from Hyderabad to Bhimavaram (city to village). I would suggest the other industry captains to come forward with such PURAs with physical connectivity, electronic connectivity and knowledge connectivity leading to large scale employment and wealth generation in the region. This will enable emigration from cities to rural areas as I have noticed in Bhimavaram. This Foundation has also brought out an emergency medical service to the people of 5 districts in Andhra Pradesh in association with the Emergency Management and Research Institute. When a person dials 108, a toll-free number from any tele-phone, the Advanced Life support system ambulance reaches the spot and saves the life. They have saved more than 1000 lives. The service has been extended to two more districts. International Disaster Management Agencies can take note of this experience for propagating such type of services in different countries.

Suggestions for ADB

1. ADB can consider creation of eight ASEAN PURA Clusters in eight ASEAN countries namely Philippines, Myanmar, Laos, Cambodia, Vietnam, Malaysia, Indonesia and Thailand.
2. For each PURA, ADB can also create ten self-help groups who can fund the small cottage industries for creating self employment for the youth of the region.
3. As is being practiced in Taiwan villages, ADB can also consider creation of one village one product scheme based on the core competence of the villages in the respective ASEAN countries. The aim should be that the selected product must have a national and international market. India will be very happy to share the experiences in commissioning of these PURAs.

266. Agreement between the Government of the Republic of India and the Government of the Republic of the Philippines concerning Defence Cooperation.

Manila, February 4, 2006.

The Government of the Republic of India and the Government of the Republic of the Philippines (hereinafter jointly referred to as the Parties and separately as a Party);

ACKNOWLEDGING the mutual benefits inherent in defence between the parties;

RECOGNISING that the implementation of such cooperation shall be in accordance with the policies and priorities of the respective Parties, and in accordance with conditions as mutually determined from time to time between the Parties;

DESIRING to further strengthen the bilateral relations between the Government of the Republic of India and the Government of the Republic of the Philippines;

HAVE AGREED as follows:

**ARTICLE 1
PURPOSE**

The aim of this Agreement is to enhance defence cooperation through the exchange of experience and knowledge between the Parties.

**ARTICLE 2
IMPLEMENTATION**

The Parties entrust the implementation of this Agreement to their respective Ministry Department of Defence.

**ARTICLE 3
DEFENCE COOPERATION**

In the field of defence cooperation, the Parties may:

- a. exchange military training expertise and information;
- b. exchange military instructors /observers;
- c. exchange military personnel for purposes of attending military and educational courses or programmes;

- d. exchange visits of military aircraft and military naval vessels, including Operational Turn Around facilities thereof;
- e. exchange information that is mutually beneficial; and
- f. collaborate in other spheres of Defence Cooperation for purposes of mutual benefit.

ARTICLE 4 PROTECTION OF CLASSIFIED INFORMATION

Subject to their domestic laws, the Parties shall protect classified information exchanged between them pursuant to this Agreement by not disclosing any classified information other than to members of their own staff who have been cleared in the appropriate level by their respective Governments and to whom such disclosure is essential for the purposes of giving effect to this Agreement or to any other further agreements and only after having taken all reasonable precautions to ensure that such members of staff shall at all times maintain strict secrecy. The Parties shall not use any classified information obtained during any bilateral cooperation between them to the detriment or against the interests of the other Party.

ARTICLES 5 DEFENCE TECHNOLOGY COOPERATION

The Parties, in the field of defence technology cooperation, may:

- a. facilitate contact between defense-related agencies in their respective countries;
- b. encourage dialogue sessions between research institutes from their respective countries; and
- c. work on such joint projects, as may be mutually agreed upon.

ARTICLE 6 OTHER ACTIVITIES

The Parties may cooperate in other defense-related activities not mentioned in Article 3 and 5, including:

- a. reciprocal visits;
- b. attendance in seminars, discussions and symposia; and
- c. considering and undertaking any other activity which in their opinion

would promote closer cooperation between the Ministry of Defence of India and the Department of National Defense of the Philippines.

ARTICLE 7 FINANCIAL ARRANGEMENT

The financial implications in respect of cooperation in terms of this Agreement shall be dealt on case-by-case basis, based on the principles of mutual reciprocation.

ARTICLE 8 DISPUTES

Any disputes between the Parties arising from the interpretation or implementation of this Agreement shall be settled amicably through consultation and negotiation between the representatives of the respective Ministry/Department of Defence. It shall not be referred to any tribunal or third party.

ARTICLE 9 FUTURE AGREEMENTS

In regard to any particular matter covered by the provisions of this Agreement, the Parties may enter into such further agreements of general or a specific nature as would in their opinion promote the effective implementation of this Agreement.

ARTICLE 10 VALIDITY AND DURATION

This Agreement shall enter into force on the date of the later written notification by the Parties, through diplomatic channels, indicating that the domestic requirements for its entry into force have been complied with.

This Agreement shall remain in full force and effect unless one Party officially notifies the other Party, through diplomatic channels, of its desire to suspend or terminate this Agreement. In such a case, the Agreement shall remain valid until thirty (30) days after the date on which one Party receives an official notification from the other Party expressing the desire of the latter to suspend or terminate the Agreement.

Termination of this Agreement shall not be prejudicial to the implementation of the contracts and programmes already signed. Existing contracts and programmes shall be executed according to the principles previously established for each of them. Duties and obligations set forth in Article 4 shall be maintained in any case.

Any amendment or revision to the text of this Agreement shall be done by mutual consent of the Parties. This amendment or revision shall enter into force in accordance with the provision on entry into force of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed and sealed this Agreement in two originals in the English language.

DONE at Manila on the 4th day of February in the year Two Thousand and Six.

**FOR THE MINISTRY OF DEFENCE
OF THE REPUBLIC OF INDIA**

**FOR THE DEPARTMENT OF
NATIONAL DEFENCE OF THE
REPUBLIC OF PHILIPPINES**

**(DR. RAGHUVANSH PRASAD SINGH)
MINISTER FOR RURAL
DEVELOPMENT**

**(AVELINO J. CRUZ, JR.)
SECRETARY OF NATIONAL
DEFENCE**

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267. Speech by President Dr. A.P.J. Abdul Kalam at the Banquet hosted by President of the Philippines.

Manila, February 6, 2006.

Your Excellency, Gloria Macapagal-Arroyo, President of the Republic of the Philippines and Atty. Jose Miguel Arroyo

Hon'ble members of the Philippine Congress and

Secretaries of the Government of the Philippines

Excellencies of the Diplomatic Corps,

Distinguished Guests, Ladies and Gentlemen.

At the start of the New Year for which I greet you most warmly it is indeed an honour and a delight for me to be in this beautiful country of majestic islands and people known for their warmth, graciousness and hospitality. Philippines is verily the "Pearl of the Orient Sea" as described

by your national hero, Dr. Jose P. Rizal. Permit me, Madame President, to express my most sincere thanks for the cordiality and courtesies extended to me and to my delegation during our visit.

Excellency, the countries of South East Asia, including the Philippines, constitute an extended neighbourhood with whom India's links go back many centuries. There is a distinctive Indian impress in this part of Asia, a religious, cultural and linguistic stamp which our seafarers brought via Indonesia and the Malaya peninsula, well before the era of European colonisation. Over the years, the Western world brought in its own cultural baggage which overlies this matrix, changing earlier layers in interesting ways, but never entirely obliterating them. National heroes like Dr. Jose Rizal and Mahatma Gandhi, on return from long years of study in the West, fused modern scientific humanism with nationalistic yearnings and sowed thereby, the seeds of freedom in our countries. They showed us how it is possible to be ourselves, while taking pride in our wider connections, to keep the windows of our houses open as it were, to breezes of different cultures, while yet not getting blown off our feet!

In a rapidly globalising world, these lessons are again becoming relevant for countries like ours which today face a dual challenge. The domestic one of managing political, economic and social change in an environment of rising expectations and growing disparities and the global challenge of securing an international environment conducive to meeting our developmental aspirations. These challenges are interlinked and any individual success or failure has the potential to affect all of us.

Fortunately, India and the Philippines are demographically young countries, with an overwhelming percentage of people still below the age of 40. A nation's wealth is its young generation and Governments' role is best performed in energising our youth to achieve their dreams. In my country, this young generation, aided by early and massive Governmental support to Institutions of higher education and a heritage fortuitous in this case of English language proficiency, has enabled India to emerge as a world class service provider in Information Technology. We are now endeavouring to develop core competencies in selected critical technologies of a higher order, both to address our national priorities and to market our companies abroad.

Your country too, has worked hard and become a credible IT enabled service provider to the world and India is ready and willing to join hands in selective partnership with you. In some areas we are in competition with

each other for world markets: however, this should only make us more respectful of each others abilities and willing to engage in serious “co-optition”, a word coined, I believe, by a prominent Filipino gentlemen, Dr. Bernardo Villegas. However, in IT both our countries have to travel together to transform our nations as a knowledge powered society. On our part, we would like to learn from your animation and graphic skills and also to develop caring and nurturing services, such as Tourism and Nursing, for which the Philippino is justly renowned.

Madame President, it is matter of satisfaction that our bilateral relations are beginning, after a long period of stagnation, to deepen and diversify. Our trade last year grew by 30 percent to US\$ 577 million and for the first time, exports from the Philippines to India grew faster than did our exports to you. Our companies have been showing interest in exploring, separately and jointly, opportunities for investment in IT, pharmaceuticals, steel, textiles, motorcycles and auto-parts, in mining and infrastructure. Prospects for technical cooperation between India and the Philippines are excellent in sectors such as dairy and other agro-based industry, CNG for public transport, bio-and thermal energy and in space and defence- related industries. We should work together to increase our bilateral trade to \$ US 2 billion before 2010. With our common facility in English there is a world of educational opportunities to explore by institutionalising University level exchanges of students and faculty.

Convergence of our views on global trade issues under the WTO and our common resolve to combat Terrorism provide a valuable base for mutual understanding. Let us resolve to unleash the existing human resource for which our two countries are famous and enable easier access to each other’s shores. I am certain that in doing so, we shall find much gain. We are grateful to the Philippines for supporting our participation, in the first East Asia Summit, which we hope would lead to an Asian Economic Community over time. Our Prime Minister is looking forward to visiting the Philippines later this year when it assumes Chairmanship of ASEAN. We hope that you too Madame President will find an early opportunity to visit India as your father did as Vice President in 1960s.

Independent India has always viewed its destiny as inseparable from that of Asia. The quest at Bandung in 1955 to establish a peaceful, prosperous and equitable world, led India’s Government to unveil, a decade ago, its “Look East Policy”, which has today become a very dynamic part of our diplomacy. The rapid growth of trade and investment and multiple

links today between India and East Asia, are witness to its positive results. The Philippines, which lies in the cusp of Southeast and East Asia, is of great interest to this strategic vision which remains incomplete without your country's fullest participation in it.

The memory of Jawaharlal Nehru of India and Carlos P. Romulo of the Philippines, friends who played a major part in Bandung, at the least deserves that we pay attention to completing their unfinished task. Given our mutual commitment to democratic ideals, our talented diasporas, our shared history and geography and above all, our shared desire for national growth with dignity, it is logical that we work together, to realise our vital common stake in the emerging world order. May I request Your Excellencies, Ladies and Gentlemen, to join me in a toast:

- to the health and well being of the President Gloria Macapagal Arroyo,
- the prosperity and well being of the country and its friendly people
- to abiding friendship and cooperation between India and the Philippines

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268. Statement by Official Spokesperson on the contribution of the Indian Government for relief and rehabilitation work of victims of typhoon Durian in Philippines.

New Delhi, December 6, 2006.

The eastern part of Philippines was struck by typhoon Durian last week. The typhoon resulted in large scale devastation to the life and property. It is estimated that more than 1000 people died or are missing in the flooding and landslides following the typhoon.

As a token of our support of those who have suffered tragic loss of life and property, the Government of India has decided to donate a sum of US \$ 250,000 for relief and rehabilitation work in the devastated areas in the eastern Philippines.

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SINGAPORE

269. Statement to Media by Secretary (East) Ministry of External Affairs Rajiv Sikri on the Visit of President Dr. A.P.J. Abdul Kalam to Singapore.

New Delhi, January 30, 2006.

Please See Document No. 248

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270. Speech by President Dr. A.P.J. Abdul Kalam at the banquet hosted in his honour by Singapore President S.R. Nathan.

Singapore, February 1, 2006.

Your Excellency Mr. S.R. Nathan,
President of the Republic of Singapore,
Hon'ble Ministers of the Government of Singapore,
Distinguished Singaporean Friends,
Ladies and Gentlemen,

It is a great pleasure for me and my delegation to be in this beautiful and vibrant Singapore. We are honoured, Mr. President, by the warm reception and the gracious hospitality extended to us by the Government and the people of Singapore.

Our countries have interacted for many years. We have maintained maritime, commercial and cultural exchanges for centuries. We have had common experiences under colonial rule and we have travelled together on the road to freedom and independence. Today, we enjoy the friendliest of relations and are engaged in forging a dynamic and multifaceted partnership. Over the past year, we have had unprecedented high level interaction with the Singapore leadership including visits of the Prime Minister Mr Lee Hsien Loong, Minister Mentor, Mr Lee Kuan Yew and most recently of the Senior Minister Mr Goh Chok Tong.

Singapore has always been a special place for us, in South East Asia. It is in South East Asia that the two great Asian civilisations of China and India met each other in history. It has led to great exchanges of knowledge and ideas. Singapore is in a sense a physical embodiment of that contact, as represented by the great communities who now call Singapore the home. Together they have forged a modern united nation. Singapore has emerged as a dynamic, stable and tolerant multi-racial, multi-religious and multi-lingual society that can indeed be a model for the rest of Asia and for the world. Its economic achievements, the prosperity it has attained, in the short span of four decades is noteworthy.

Mr. President, India too has evolved as a stable pluralistic society. Our democracy binds a vast and diverse population into a coherent stable nation. We are proud of our achievement in nation building. Democracy, tolerance and secularism define the Indian ethos.

India has a mission of transforming itself into a developed nation. We have a vision and a road-map. We have many achievements in the area of agriculture, ICT, pharma, bio-technology, space, atomic energy and defence. Our GDP has been growing at over 7 percent per annum and we will soon cross the 8 percent mark. In my visits across the country, I have interacted with over one million youth. The ignited minds of the youth are a very important resource apart from bio-diversity and other natural resources. They all have an aspiration to be in an economically developed prosperous, happy and peaceful India. In this movement towards development and prosperity, we look upon Singapore as an important partner especially in economic and commercial cooperation.

It is a matter of satisfaction that our bilateral trade grew by over 100 percent in the last two years and today reflects a healthy figure of about US \$ 10 billion. The signing of CECA during the visit of Prime Minister Mr. Lee Hsien Loong in June 2005 will give a further impetus to trade and commercial linkages and enhance the bilateral trade to US \$ 20 billion before 2010. Our investment links are growing but the opportunities are far greater still. Many Indian nationals and Indian companies present in Singapore are contributing to its socio-economic development. Our educational and cultural links are strengthening and our defence cooperation is also growing satisfactorily.

We need to explore more areas for expanding our cooperation and in this respect I do believe that there is a very good potential for cooperation in aspects of science and technology particularly nano technology and

bio-technology. I am convinced that for entrepreneurial and creative societies like ours, who have placed great faith in using technology for development, the opportunities for cooperation are immense. Such cooperation will benefit not only our countries but also the people of the world, in tackling some of the major problems.

We look upon our cooperation with Singapore as the gateway to larger cooperation with South East Asia, East Asia and the Asia-Pacific. I would like to thank the Government of Singapore for the consistent support they have given to us for our association as a full dialogue partner of ASEAN and a member of ARF and their efforts to include India in the recently concluded Kuala Lumpur East Asia Summit.

Ladies and Gentlemen, may I now invite you to join me in a toast:

- to the health and well being of President Nathan;
- to the happiness and prosperity of the people of Singapore and
- to the friendship between India and Singapore.

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271. President Dr. A.P.J. Abdul Kalam's Address and Interaction with the Students of the National University of Singapore,

Singapore, 1 February 2006.

Virtual University and Capacity Building

I am indeed delighted to address eminent scholars and students of the National University of Singapore. My greetings to the researchers, teachers and students who have come for studies from various countries including India. The National University of Singapore has grown to become the hub for higher learning for students from the ASEAN and other countries. I am particularly very happy to see the type of networking the University has with multiple industries and research institutions. With advancement in technology, the University provides vital opportunities to the youth to acquire and enhance their knowledge in emerging fields and helps to undertake research in advanced systems. I was thinking of sharing some thoughts on Virtual Universities and Capacity Building with you. Let us start with our societal transformation from an agricultural economy to a Knowledge Economy using Indias core competence of knowledge workers.

Societal transformation

Societal transformation and economic growth are interlinked. A Knowledge Society enriches an Information Society through innovation. An Information Society enriches agriculture and manufacturing through value addition. The whole purpose of education in a country is to develop and enhance the potential of our human resource and progressively transform it into a Knowledge Society. The Knowledge Society will be a society producing products and services that are rich in both explicit and tacit knowledge, thus creating value added products. The real capital of this Knowledge Society will be its knowledge components. The society will be highly networked to create a knowledge intensive environment along with enabling process to efficiently create, share, use and protect knowledge. Our education system should re-align itself at the earliest to meet the needs of present day challenges and be fully geared to participate in societal transformation through innovation, which is the key to competitiveness. It should also develop a global outlook. India has many strengths. It has to reach out and make our individuals and institution capable of succeeding in a competitive world.

Dimensions of Knowledge Society

I was studying the dimensions of a Knowledge Society and how will it be different from the industrial economy. In the knowledge economy the objective of a society changes from fulfilling the basic needs of all-round development to empowerment. The education system instead of going by text book, teaching will be promoted by creative, interactive self learning, formal and informal with focus on values, merit and quality. The workers instead of being skilled or semi-skilled will be knowledgeable, self-empowered and flexibly skilled and would adapt to newer technologies seamlessly. The type of work instead of being structured and hardware driven will be less structured and software driven. Management style will emphasize more on delegation rather than giving command. Impact on environment and ecology will be strikingly less compared to the industrial economy.

Knowledge Society Components

Knowledge Society has two very important components driven by societal transformation and wealth generation. Societal transformation is on in education, healthcare, agriculture and governance. These will lead to employment generation, high productivity and rural prosperity. How do we do that?

Wealth generation is a very important task for the nation, which has to be woven around national competencies such as Information Technology, bio-technology, space technology, weather forecasting, disaster management, tele-medicine and tele-education, technologies to produce native knowledge products, service sector and Infotainment. These technologies and management structures have to work together to generate knowledge society.

Evolution of policy and administrative procedures, changes in regulatory methods, identification of partners and most importantly creation of young and dynamic leaders are the components to be in place. In order to generate wealth, which is the second component for establishing a knowledge society, it is essential that simultaneously a citizen-centric approach to evolution of business policy, user-driven technology generation and intensified industry-lab-academy linkages have also to be established in every country.

The systematic process of finding, selecting, organizing, distilling and presenting information, improves an employee's comprehension in a specific area of interest. Knowledge management helps an organization to gain insight and understanding from its own experience. Specific knowledge management activities help focus the organization on acquiring, storing and utilizing knowledge for problem solving, dynamic learning, strategic planning and decision making. It also prevents intellectual assets from decay, adds to firm intelligence and provides increased flexibility.

Knowledge Management

Knowledge creation has two dimensions, one is explicit knowledge and the other one is implicit knowledge. Explicit knowledge comes from published books, written materials, proceedings, presentations etc., whereas the implicit knowledge is derived through the systematic observation and capturing of data from the tacit knowledge available among the individuals in the organization, through their approach to problem solving, bottle-neck removal, goals setting, interactions etc. We need a systematic mechanism to capture this knowledge to make the organization a truly learning organization, which makes use of existing knowledge judiciously and efficiently.

The digital library is an important component for capturing the explicit knowledge. This has to be supplemented with implicit knowledge to the digital library system, which will eventually get transformed into a knowledge management system. This may be relevant to all countries.

Capacity Building

Hence the modern economy will be knowledge and skill driven and not by established industries. There will be continuous innovation and enterprise. To realize this, special capacity needs to be built in education and nurtured among students. The capacities which are required to be built are research and enquiry, creativity and innovation, use of high technology, entrepreneurial and moral leadership.

Research and enquiry: The 21st century is about the management of all knowledge and information we have generated and the value addition we bring to it. We must give our students the skills with which they find a way through the sea of knowledge that we have created and continue with life long learning. Today, we have the ability, through technology, to really and truly teach ourselves to become life-long learners. This is required for sustained economic development

Creativity and innovation: The management of knowledge in the 21st century is beyond the capacity of a single individual. The amount of information that we have around is overwhelming. The management of knowledge therefore must move out of the realm of the individual and shift into the realm of networked groups. Students must learn how to manage knowledge collectively. When the information is networked the power and utility of the information grows as squared as predicted by Metcalfe's law. An information that is static does not grow. In the new digital economy information that is circulated creates innovation and contributes to national wealth.

Capacity to use high technology: Every student in our schools should learn to know how to use latest technologies for aiding their learning process. Universities should equip themselves with adequate computing equipment, laboratory equipments, and Internet facilities and provide an environment for students to enhance their learning ability. In the midst of all of the technological innovations and revolutions we cannot think that the role of the teachers will be diminished. In fact the teacher will become even more important and the whole world of education will become teacher assisted and would help in tele-porting the best teacher to every nook and corner of the world and propagate knowledge.

Entrepreneurship: The aptitude for entrepreneurship should be cultivated right from the beginning and in the university environment. We must teach our students to take calculated risks for the sake of larger gain,

but within the ethos of good business. They should also cultivate a disposition to do things right. This capacity will enable them to take up challenging tasks later.

Moral leadership: Moral leadership involves two aspects. First it requires the ability to have compelling and powerful dreams or visions of human betterment. Moral leadership requires a disposition to do the right thing and influence others also to do right things.

In sum, inquiry, creativity, technology, entrepreneurial and moral leadership are the five capacities required to be built through the education process. If we develop these five capacities in our students, we will produce an Autonomous Learner a self-directed, self controlled, lifelong learner who will have the capacity to both, respect authority and at the same time is capable of questioning authority, in an appropriate manner. These are the leaders who would work together as a “Self-organizing Network” and transform any nation into a prosperous nation.

My Experiences with 3 Virtual Universities

This interactive session with these three great Universities was really the birth of a Virtual University in India and I would like to congratulate all the three Universities for initiating this step. Now I understand all the three Universities are working together to connect among themselves through high bandwidth network thus creating Virtual University GRID. This step will enable the students of these Universities and their affiliated colleges and post-graduate departments to have a collaborative and interactive learning experience with the faculties of any of the Universities on the fly. The benefits of the Virtual University which was demonstrated for the urban regions has to reach the rural areas especially to the two hundred and thirteen affiliated colleges and sixty five post-graduate departments located in Southern Districts of the State of West Bengal.

Research-Teaching-Research: Any University is judged by the level and extent of the research work it accomplishes. This sets in a regenerative cycle of excellence. Experience of research leads to quality teaching and quality teaching imparted to young in turn enriches research. Research brings transformation and development and also enhances the quality of education.

Technology is the non-linear tool available to humanity, which can affect fundamental changes in the ground rules of economic competitiveness. Science is linked to technology through applications.

Technology is linked to economy and environment through manufacture of knowledge products. Economy and environment are linked to technology, which promotes prosperity. We have to use innovation to generate high value added products for becoming a global player. Your university is traditionally known for scientific research and teaching.

ASIA Virtual University GRID

India and Singapore may consider creating ASIA Virtual University GRID by networking the Universities from ASIA. Specific areas of research and Development to meet the national mission requirements of ASIAN Countries and also for capacity building in each country. This ASIAN Virtual University GRID will provide, the best of education to its member countries from ASIAN universities based on their core-competence, hence it will ensure the best education of ASIA will reach its member countries through universal tele-education delivery system. It will also ensure collaborative learning leading to the creation of a knowledge society in the ASIAN region. Such an ASIAN Virtual University GRID will have the following tasks:

- a) Act as a hub of all Universities, related educational, and research and development centers in the ASIAN region
- b) Ensure collaborative learning and live interaction among students and faculties of ASIAN universities.
- c) Identify experts of national/international eminence in specialized areas and nominate colleges of eminence.
- d) Coordinate, organize, schedule and broadcast lectures of specialists at a mutually convenient time to all participants.
- e) Impart education based on its core competence, any student from any university will be able to get quality education at his desktop.
- f) Network all Teachers Training Programmes in the Universities to empower them with research inputs from all the ASIAN universities and capacity building.
- g) Record the live transmission of lectures with interaction details in a data bank for easy access by participants for review learning.
- h) Digitize all University libraries and make it available for seamless access by all faculty and students of the University.
- i) Universities need to become learner centric.

- j) Collaborate with other Virtual Universities in India and abroad through the network.

This experiment in your University will provide a common platform for teaching in the University and its affiliated colleges and post-graduate departments in the entire region. This will give equal emphasis on theory and experiments in spite of the fact that it will be done in cyberspace. Such is the power of technology and our understanding of it. This facility would also help in expansion of telecommunication and IT services. All this would lead to synergizing the strengths of different colleges in the region by promoting quality education to all students irrespective of their location in a cost effective manner.

Attracting students to Virtual Universities: While it is unarguable that Virtual Universities provide us with technologies of the future and economic ways of scaling high quality education in the country, they are no substitute for campus-based education. The challenge for Virtual Universities is to provide the best of both worlds. In this process, we could plan an optimum mix of direct contact hours between students and teachers and amongst students themselves. These interactions should also be used as a platform to excite students to take to learning in the new paradigm.

In the world of Virtual Universities, equitable access to all participants is the primary goal. Unlike in the real world, equitable access is always the democratic average, in Virtual Universities equitable access always means equitable access to the best resources? be it teachers, be it the library, be it the laboratory, available across the network. In effect, the network brings out the best out of its participants to every one of its participants.

Indian Experiences: India is now in the process of creating virtual universities and institutions for knowledge sharing, knowledge dissemination and knowledge reuse. While it is known that Virtual Universities provide us with technologies of the future and the most economic way of scaling high quality education in the country, they are no substitute to campus based education. The challenge before Virtual Universities is to provide the best of breed of both the worlds. In this process, we could plan an optimum mix of direct contact hours between students and teachers and also amongst students themselves. These interactions should also be used as a platform to excite the students to take to learning in the new paradigm.

In the world of Virtual Universities equitable access to all its participants is the primary goal. Unlike in the real world, equitable access is always the democratic average, in Virtual Universities equitable access always means equitable access to the best resources ? be it teachers, be it the library, be it the laboratory, available across the network. In effect, the network brings the best of its participants to every one of its participants. The three phases of learning are lectures, library and laboratories. They require increasing bandwidth from a few 100's of kilobytes for lectures to a few megabytes for formal digital libraries and the informal world of knowledge from the Internet, to gigabits of connectivity for remote laboratories in the world of high precision science and engineering. As the bandwidth becomes cheaper and available in abundance, universities should be able to run remote instruments and facilities as complex as NMR to Wind tunnels. These are applications that can make a difference in how we engage in teaching, learning, and research in higher education.

Internet2: The world is moving towards internet2 applications. Internet2 applications require advanced networks. That is, these applications will not run across commercial Internet connections. Internet2 applications require enhanced networking functionality?such as high bandwidth, low latency (delay), or multicast?not available on our commercial Internet connections. Internet2 is about everything we do in higher education. Therefore, we encourage and support applications development in all disciplines from the sciences through arts and humanities. Whether you're in the classroom, the laboratory, the library, or the dorm, you should be able to access Internet applications that provide benefit.

This will ultimately provide equitable access to the entire education system beyond just the lectures and the lecturers. Thus the bandwidth is the demolisher of imbalances and a great leveler in the Knowledge Society. We have rich knowledge institutions but what we have to add is connectivity. This connectivity today is technologically possible but would need creation of high bandwidth reliable network infrastructure to the extent of minimum 10 Gigabits per second all through the country to provide uniform access to knowledge in different regions leading to the creation of Knowledge GRID.

Knowledge GRID

India has established the Knowledge GRID. ERNET in the Educational and Research Network of India connecting 1500 institutions

for internet and intra connectivity for email and other collaboration. Presently ERNET is connecting around 45 institutions across the country in a high bandwidth network with 100 mbps connectivity under the GARUDA project. GARUDA will demonstrate the applications of GRID Computing to solve many grand challenge problems. Many academic Institutions of high repute in India are partners in this national initiative. This will become a part of the proposed Knowledge GRID. GRIDs know no political or geographical borders. Their only language is 'connect' and languages like C, C++ etc which every one understands, their only mission is interoperability and their only motto is the optimal utilization of compute power and knowledge and their only goal is to make available the entire compute power of the world to every one in the network. If we can connect Kashmir to Kanyakumari through the network and share resources and knowledge, it should be easy to connect India to Singapore.

Asian e-network

In order to support the Asian knowledge grid, it is essential to establish an Asian e-network. Asian e-network comprises of satellites beaming to all the countries of Asia and India and linked using fiber optics Broadband network and Wireless (Wi-MAX) for last mile connectivity. These satellites can be launched and maintained in geo stationary orbit by Indian space scientists. Fiber broadband network across the sea connecting the ASIAN countries has their point of presence in almost all the countries. India's core competence in software, teleeducation delivery system, satellite launching capabilities and above all capacity building will provide a win-win partnership to this mission. This can be a collaborative venture to spread knowledge in this region and make the Asian community a knowledge power. This will become a role model for global networked education. This ASIAN e-Network may be initially established between India and Singapore, later it can be extended to other ASIAN nations. India will certainly become a partner in this mission to build capacities of students and teachers and researchers, leading to the creation of a Knowledge Society in the ASIAN region.

Areas of R&D Cooperation

India has top class educational institutions such as the Indian Institute of Science (IISc), the Indian Institutes of Technology (IITs) and the National Institutes of Technology (NITs). More than 300,000 scientists and engineers pass out from Indian universities every year. Universities in Singapore and

India and other Asian countries can have networked R&D cooperation based on their core competencies. Some suggested areas for cooperation, which will find solution to our perennial problems such as energy, water and environment can be floating platforms for solar farming, desalination using solar energy, Hydrogen/Fuel Cell and Bio-fuels. These joint collaborations will accelerate the developmental efforts by pooling the best of minds and research experiences.

Conclusion

India and Singapore have many things in common. Both countries are in the ascending phase of economic growth. Our youth want to live in happiness and prosperity. Progress in technology has come handy to achieve these goals. A Developed India is becoming a reality. It is time that we join together with R&D collaborations involving multiple universities, industry partnerships and exchange programmes. This combined journey would lead both our nations to their rightful place in the world arena.

Ultimately, education in its real sense is the pursuit of truth. It is an endless journey through knowledge and enlightenment. Such a journey opens up new vistas of development of humanism where there is no scope nor room for pettiness, disharmony, jealousy, hatred or enmity. It transforms a human being into a wholesome whole, a noble soul and an asset to the Universe. Universal brotherhood in its true sense becomes the sheet anchor for such education. Real education enhances the dignity of a human being and increases his or her selfrespect. If only the real sense of education could be realized by each individual, and carried forward in every field of human activity the world will be so much a better place to live in.

India and Singapore can be a partner in the journey of building capacities among teachers and students through our Virtual Universities. Education is a continuous process, empowering young citizens, thereby enriching nations and their societies. My best wishes to the members of the Singapore National University for success in all their missions.

272. Singapore Lecture by President Dr. A.P.J.Abdul Kalam at Raffles Convention Centre, Singapore

Singapore, 1 February 2006

Evolution of Enlightened Societies

I am indeed delighted to participate in the Singapore Lecture organized by the Institute of Southeast Asian Studies. My greetings to the Members of the institute and distinguished personalities of Singapore from Industry, Educational and Research Institutions, Political Visionaries and eminent members from various fora. I also convey the greetings and wishes of one billion people from the largest democracy in the world. Our great countries have long standing traditional ties for centuries in trade, commerce and mutual knowledge sharing and transfer. Knowledge and skills empower individuals, institutions, companies thereby empowering the society and the nation at large. Both the countries are now marching towards a strong economy in our region. In this forum, I would like to share my thoughts on the topic “Evolution of Enlightened Societies”.

Law of Development

I was studying the development patterns and the dynamics of connectivity between nations, especially in trade and business. As you all know the world has a few developed countries and many developing countries. What is the dynamics between them and what connects them? Developed countries have to market their products in a competitive to other countries to remain as a developed country. The developing countries too have to market their products to other countries in a competitive way to get transformed into a developed country. Competitiveness is the common driving factor between the two types of nations. Competitiveness has three dimensions: quality of the product, cost effectiveness and availability of the product just-in-time in the market. Indeed, this dynamics of competitiveness in marketing of products by developing and developed countries is the “Law of Development”. There is a relationship between the core competence and the competitiveness of the country.

Profile of a Globally Competitive nation

Global competitiveness for any nation is indeed a big challenge. For achieving such a competitive edge for a nation, it is essential to have a vision. I would like to share with you my visualization of such a nation.

1. A Nation where the rural and urban divide has reduced from a separating line to a permeable membrane.
2. A Nation where there is an equitable distribution and access to energy and quality water besides livelihood and social security.
3. A Nation where agriculture, industry and service sectors work together in harmony in the common technology domain resulting in sustained wealth generation and leading to greater high value employment opportunities.
4. A Nation where education is not denied to any meritorious candidate because of societal or economic discrimination or because of constraints of rules.
5. A Nation which is the best destination for the most talented scholars, scientists, and investors from all over the world.
6. A Nation where the best of health care is available to the entire population and the communicable diseases like AIDS/TB, water and vector borne diseases and also the life style diseases such as cardiac diseases, cancer and diabetes are not allowed to become epidemics.
7. A Nation where the governance uses the ICT to be responsive, transparent, fully connected in a high bandwidth e-governance grid, easily accessible and also simple in rules, thereby corruption free.
8. A Nation where poverty has been totally eradicated, illiteracy removed and crimes against women are absent and none in the society feels alienated or left out.
9. A Nation that is secure, peaceful and happy and continues with a sustainable growth path.
10. A Nation that is one of the best places to live in, on the earth and brings smiles on the faces of its people. "When the mind is without fear and the head is held high," as said by Rabindranath Tagore.

How the nations can realize the specified goals, I will give an example for our nation. Since India has a population of billion people, it represents 1/6th of the population of our planet. The ideas I am going to present may also be relevant and applicable to many developing and even developed countries, which are aiming to shape their growth and nurturing their development in an environment of peace and harmony with other nations. Many countries are joining as partners in the process of the development.

India's National Missions - The Challenges

India's current population is over one billion people. We are going through a major challenge of uplifting of 260 million people who live below the poverty line and also to give better life for many millions who are on the border line of poverty or just above the poverty line. They need a decent habitat, they need work with reasonable income, they need food, they need speedy access to health care, and they need education and finally they need a good life and hope for a better future. Our GDP is growing at more than 7% per annum on an average. Whereas, the economists suggest that to uplift the people below the poverty line, our economy has to grow at the rate of 10% per annum consistently, for over a decade.

Integrated action

To meet the need of one billion people, we have the mission of transforming India into a developed nation. We have identified five areas where India has a core competence for integrated action: (1) Agriculture and food processing (2) Education and Healthcare (3) Infrastructure Development (4) Information and Communication Technology (5) Self reliance in critical technologies. These five areas are closely inter-related and if properly implemented, will lead to food, economic and national security of our country. In each of these areas, there is wealth of opportunities awaiting nations who would like to work together for mutual benefits in a win-win situation. Each of these missions comprises many projects, investments, innovations, marketing and therefore many partnerships are possible.

Engines for Growth

Emphasis would be on full utilization of natural and human resources of the nation to meet the demands of the modern society. We should also remember that about 50% of our population are young people with aspirations for better living. Value addition in Agriculture, Manufacturing and Service sectors, building the national core competence and technologies will lead to additional high-income employment potential. The engines for growth will be accelerated by launching of the five national missions, which are common to all of us wherever we are on planet earth. The synergy of these five missions will enable India to achieve 10% GDP growth rate per annum. It is possible to do so with ecological and economic sustainability. It is not the mission of governments alone. It is the collective effort of big and small businesses, science and technology and academic institutions, foreign investors, and many others who have confidence about

India. With these aspects in view, we have already laid down the road map. This roadmap has been converted into various missions allowing a greater role for private enterprise and local initiatives. Now I would like to discuss the economic growth and societal transformation.

Ambience in India

In the Indian history, very rarely our nation has come across a situation where at the same time there has been an ascending economic trajectory, continuously rising foreign exchange reserve, reduced rate of inflation, global recognition of the technological competence, energy of 540 million youth, umbilical connectivities of 20 million people of Indian origin in various parts of the planet, and the interest shown by many developed countries to invest in our engineers and scientists including setting up of new R&D centers. The distinction between the public and the private sectors and the illusory primacy of one over the other is fading out. India, as the largest democracy in the world has a reputation for its democracy and for providing participative leadership for the one billion people with multi-cultural, multi-language and multi-religious backgrounds.

Our technological competence and value systems with civilizational heritage are highly respected. Also, FIIs (Foreign Institutional Investors) find investing in India attractive. Indians are also investing in foreign countries and open new business ventures. As per the report titled 'From the Ganges to the Thames?', the Indian Foreign Direct Investment in British capital is second only to that of the US and Indian FDI projects in Europe has increased from just 5 to 119 billion dollars during the period 1997 to 2004. The Indian Government is committed to economic reforms and development by ensuring growth rate of 7% to 8% annually, enhancing the welfare of the farmers and workers and unleashing the creativity of the entrepreneurs, business persons, scientists, engineers and other productive forces of the society. We have moved from a largely agriculture society to a focused knowledge society. Enabling environment has been created by the government through various programmes like Bharat Nirman programme with the investments to the tune of \$ 35 Billion for the period of 4 years, with rural development as focus.

Evolution of enriched societies

A national society captures the main occupation of its people. History of mankind records multiple societies in every nation starting from agricultural society, industrial society, and information society leading to knowledge society. During the 20th century, societies underwent a change

from the agricultural society, where manual labour was the critical factor to the industrial society, where the management of technology, capital, and labour provided the competitive advantage. The information era was born in the last decade. Networking within the country and with the other nations and the software products drove the economies. Some of the nations including India utilized this opportunity. In this decade we are just entering into knowledge society era.

The uniqueness of knowledge society is enriching the information society with innovation and value addition of products. The knowledge also enables value addition to the other three societies. In knowledge society, knowledge is the primary production resource instead of capital or labour. In India, I chaired a task team constituted by the Government of India sometime back for evolving a road map for transforming the Indian society into a knowledge society. I would like to discuss with you how we could work together to make our societies enriched by knowledge and transforming them into knowledge society.

Knowledge can create a comprehensive wealth for the nation and also improve the quality of life, in the form of better health, education, infrastructure, and other societal needs. The ability to create and maintain a knowledge society infrastructure, develop the knowledge workers, and enhance their productivity through the creation, growth, and utilization of new knowledge, will be the key factor in deciding the prosperity of this knowledge society. Whether or not a nation has developed into a knowledge society is judged by the way, it creates and deploys knowledge and skills in the sectors like ICT, Manufacturing, Agriculture, Healthcare and many other services.

Changing Patterns of Society

When the world was moving from the industrial to information and knowledge era, we witnessed a changing pattern in the sectoral share of GDP and the number of people employed in each sector. The sectoral share of Gross Domestic Product (GDP) percentage has undergone a considerable change. Contribution of agriculture to India's GDP has reduced from 39% to 22% during the period 1979 to 2004. During the same period contribution of manufacturing sector has moved from 24% to 27% and whereas the contribution from the services sector has increased from 37% to 51%. There has been considerable change in the employment pattern also. The percentage of people employed in agriculture has come down from 64% to 54%. Simultaneously, the percentage of people

employed in manufacturing has gone up from 15% to 19% and in the service sector from 20% to 27%. This trend has to continue and by 2020 our employment pattern should aim at 44% in agriculture, 21% in manufacturing and 35% in service sectors. The displacement of 10% people from agriculture sector has to be facilitated through skill enabling for undertaking value added tasks in the rural enterprises so that migration to urban area is reduced. Instead of the person from the rural areas going to urban towns in search of jobs in manufacturing and services sectors, PURA (Providing Urban Amenities in Rural Areas) facilitates creation of employment in the rural areas itself. PURA achieves this by providing physical, electronic and knowledge connectivities to a cluster of villages thereby leading to their economic connectivity and prosperity. Knowledge creation and knowledge utilization is the key to the success of a PURA programme. PURA programme can generate many business opportunities. This model is applicable to many countries.

Developmental Model : Providing Urban Amenities in Rural Areas (PURA)

The number of PURA units required in India is estimated to be 7000. This envisages integrated connectivities to bring prosperity to rural India. These are - physical connectivity of the village clusters through quality roads and transport; electronic connectivity through telecommunication with high bandwidth fiber optic cables reaching the rural areas from urban cities and through Internet kiosks; and knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes. These three connectivities will lead to economic connectivity through starting of enterprises with the help of banks, micro credits and marketing of the products.

The PURA is required to be run by enlightened citizens and people capable of giving moral as well as business leadership. Sustainability with humaneness are built in the business plan itself. This is where the concept of spiritual connectivity is seen as the foundation, which builds all the other four connectivities.

Each PURA cluster will connect about 20 villages depending upon the region and population and will cost about approximately \$ US 20 million. After initial short-term employment during construction etc., we have to plan for initiating actions for providing regular employment and self employment opportunities in nationally competitive small enterprises in agro processing, manufacturing and services sectors for about 3000 people. If

the industrial/business parks are marketed well, they can generate employment opportunities in support sector for about 10,000 people in that cluster. This will provide sustainable economy for the rural sector. In this national mission, bankers can promote entrepreneurship in the rural areas. This will lead to the removal of urban-rural divide. This experience can become a universal model.

PURA as an Enterprise

A large number of banks have entrepreneurial development programmes. Banks have also been funding Small Scale Industries of different types in various regions. The small-scale entrepreneur is a promising candidate for becoming the chief executive for managing the PURA complexes in an integrated way. PURA enterprises can also undertake management of schools, health care units, vocational training centers, chilling plants, silos and building a market, banking system and the regional business or industrial units. A new mission mode management style has to emerge for PURA enterprises. It should not be looking for protective legislations to support them. Rather they should be efficient to compete with others. This new PURA enterprise needs partnership from the bank, from the Government and also from the private entrepreneurs. Banks can train the entrepreneur for managing the PURA in their training centers and also provide them loans for creating and running PURAs as a business proposition.

International technology Partnership

Here I would like to share two experiences of international technology partnership:

a. Brahmos: A Super Sonic cruise missile - a Joint Venture between India and Russia

b. Pan African e-Network: Connectivity solution between India and 53 Pan African countries for providing tele-education, tele-medicine and e-Governance services.

An International Joint Venture - BRAHMOS: In order to achieve global competitiveness, the product must be world class with high quality, cost effective and must be available in time within the shelf life of the product. I would like to share a unique experience of design, development, production and marketing of a missile system - BRAHMOS, an Indo-Russian joint venture. What we have achieved through this venture is the development

and realization of a world-class product using the synergy of technological competence and consortium of industries of partner countries. In addition, the product being internationally competitive, it is able to service a large market with availability in time and state of the art performance at reduced cost per unit. This will put India, a global defence exporter. Moreover, with minimum incremental investment the product has been developed and led to production and induction, at a relatively short time frame, well ahead of prescribed schedule. This has enabled early entry of the product into the world market well before any competitor could emerge.

I would like India and Singapore to jointly emulate this example and design and develop products for civilian application both in the national and international markets. At this stage, this is very important because the middle-class population in India is on the growth path and it will reach nearly 400 million within next three years. This will lead to a win-win situation for both countries and enable availability of products at a low cost for the customer countries leading to nations' wealth generation. Let me now talk to you on the Pan African e-Network.

Pan African e-Network: I would like to recall my address to the Pan African Parliament on 16 Sept 2004, at Johannesburg, South African which was attended by Heads of 53 member countries of the African Union. There, I announced the willingness of Government of India to provide seamless and integrated satellite, fiber optics and wireless network connecting all 53 African countries. This will provide three Connectivities: (i) Heads of the State Network for e-governance (ii) Tele-education network for higher education, skill enhancement and capacity building and (iii) Tele-medicine for providing health care and super specialty medi-care. Government of India has already commenced the project in partnership with African Union and it will be completed by early 2007.

Global Human Resources Cadre

At present India has five hundred and forty million youth under the age of 25. The number of youth will be continuously growing till the year 2050. In the 21st century, India has embarked on a mission to empower the talented youth with higher education for the task of knowledge acquisition, knowledge imparting, knowledge creation and knowledge sharing. Keeping this in mind, our Universities and educational systems will be creating two cadres of personnel: (1) a global cadre of skilled youth with specific knowledge of special skills (2) another global cadre of youth with higher education. These two cadres will be utilized not only for powering

the manufacturing and services sector of India but also will be made available for fulfilling the human resource requirements of various countries. Our Universities are working towards increasing the output of the higher education system from the existing 6% to 20% by the year 2015, 30% by the year 2020 and 50% by the year 2040. The others who are not covered by the higher education system will all have skill sets in areas such as construction, carpentry, electrical systems, repair of mechanical systems, fashion design, para-legal, para-medical, accountancy, sales and marketing, software and hardware maintenance and service, software quality assurance personals etc. Each Indian youth will be with either a quality higher education or with demanding skills sets relevant to the present technological environment. This is the mission for all our educational institutions. India and Singapore can definitely be partners in this mission.

Friends, so far I have discussed about the international technological partnership and the development of Global human resource cadre. With this core competence, I would like to share with you a thought process on the evolution of “World Knowledge Platform”.

World Knowledge Platform

I am visiting Singapore, Philippines and Korea. All the three nations along with India can have a common vision to use Knowledge as a vehicle to propel them to become leading economies of the world. In the knowledge economy, networking between partners boosts the power of all participating partners. Robert Metcalf’s law states that the “value” or “power” of a network increases in proportion to the square of the number of nodes on the network. In other words, if the four nations ? India, Singapore, Philippines and Korea, join to work as networked knowledge partners, our combined strength will not be just that of 4 Nations but it would be four squared (4²), or 16. This is because knowledge multiplies when added. Hence, as part of the vision of our four nations becoming leading economies of the new world order, I propose the first mission to create a ?World Knowledge Platform? comprising of the 4 nations - India, Singapore, Philippines and Korea. The purpose of this platform is to facilitate knowledge creation, knowledge dissemination; knowledge sharing and knowledge reuse leading to coordinated design and delivery of complex systems in the knowledge domain. These systems would be directed towards those that improve the quality of life of our people and at the same time would reach the world market and improve our nations? wealth. In short, the Knowledge Platform would be launch pad for many innovations that are waiting to be unearthed only by the combined power of all the 4 nations. In essence, the World

Knowledge Platform is indeed an integrated capability of multiple core competence of partner countries.

Initially, the mission is to connect and network the R&D Institutions, Universities and Industries using fiber broadband from the 4 nations on a selected R&D Missions. The underground fiber cable infrastructure already exists between all the four partners. It is only waiting to be lighted up with state-of-the-art optical networks and to ignite the minds of the knowledge workers. This knowledge GRID will support multitude of seamless connections supporting both synchronous and asynchronous communication, carrying either text, or audio or video. We can then use this network in the academic environments to teach courses online and share expensive equipments remotely. In the Industrial environment, it can be used to design complex systems ? even ones that are as complex as an aircraft in a collaborative way using virtual prototyping concepts in the cyber space.

Today, in any multinational company, it is common to see that many of the team members come from very different countries and cultures. For any one to be productive and competitive in such an environment and work with no clash of feelings, it is important that we all should understand each others culture thoroughly and learn to respect them. I am also of the firm opinion that when culture is embedded into our Knowledge Platform, all our productivity would enhance considerably. I propose that we should allocate adequate bandwidth in the Knowledge network for us to share and cherish each others culture - be it used as heritage learning, be it history or be it entertainment.

One possible use of this knowledge platform is to create a Digital Library of our heritage collections of manuscripts, folk lore, songs, movies and even pictures.

The future of scientific inquisitiveness would be based on the border areas between science and engineering - like we saw the birth of bio-informatics due to the convergence of biology and IT. Now the world is witnessing a great excitement in the impending convergence of Nano science and technology, Biotechnology and Information and Communication Technology. A concerted research and development in these areas would require high bandwidth connectivity such as the one proposed in the Knowledge GRID. This will then facilitate the design, development and production of knowledge products for international markets. The convergence of bio, Nano and ICT is expected to touch every

area of concern to the humanity. The World Knowledge platform? will take up the missions, in some of the areas given below, which are of utmost urgency to all of us to make our world a safe, sustainable and peaceful and prosperous world:

1. Energy storage, production and conversion
2. Enhancing agricultural productivity
3. Water treatment
4. Disease diagnosis and screening
5. Drug delivery system
6. Food preservation and storage
7. Air pollution control and ventilation
8. Construction
9. Health Monitoring
10. Vector / pest destruction and control
11. Hardware, Software and Networking Products? design, development and production
12. Automobile Hardware, embedded software integration
13. Gene Characterization, Stem Cell research and molecule to drug towards the diagnostic and treatment of the diseases like Cancer and Diabetics

In addition to the areas mentioned above, areas such as electronics, ICT and Automobile Sector may also be focused especially in the areas of design, development leading to productionization for meeting the market demands of the respective countries and also for world market. The core competence of India is software and the core competencies of the other partner nations are hardware and software, it can lead to design, development and marketing of world class systems that is equally dominated by the software intelligence and hardware innovation. For example, initially the following specific missions may be identified:

1. Tablet PC

Joint design, development and manufacture of a handheld tablet

PC with multilingual capability in a cost effective manner with open source operating system and software configured for the school students and the common citizen who wishes to benefit from our E-Governance initiatives to meet the requirements of Asia pacific and African countries. This PC will have the wireless connectivity so that it can take care of the communication needs and possibly even the Telephone and will have sufficient video capability to act as an entertainment platform and for tele-education and telemedicine and even a hand writing recognizer that will also permit authentication for secure e-business transactions. The challenging task will be to configure, develop and produce and market the tablet PC at a cost of \$100 to \$150, so that student, teacher to researchers will be in a position to utilize it.

2. Embedded electronics Systems

Design and development of embedded systems integrated with hardware, software, network in automobile sector, consumer electronics, aerospace systems, defence systems and precision manufacturing

3. Knowledge products for Societal Transformation

Design, development and customization of knowledge products in the field of Tele-education, Tele-medicine and e-Governance for Global business opportunities among the nations.

We may form initially an Asian consortium for the vertical missions of the World Knowledge Platform in the above mentioned areas with the public, private partnership. These missions with the India and Singapore Comprehensive economic cooperation agreement will have to be carried out using the Knowledge Technology Platform.

Economic Cooperation with Singapore: The comprehensive economic cooperation agreement signed between India and Singapore in 2005 has facilitated trade and investments for increased business opportunities in both of our countries. The bilateral trade, which is 7 billion dollar presently, is expected to reach 15 billion dollars for Singapore and 30 billion dollars with the whole of ASEAN countries. This economic cooperation will facilitate industries from both countries to come closer forming joint ventures and strategic alliances for capturing sizeable global market share.

I understand that there are many Indian Industries who already have windows of interaction as well as physical presence in Singapore. Singapore

on its part also has a very strong presence in India. There is the eagerness from both the Governments to cooperate and collaborate. We should ensure that the complimentary strengths of both the nations and their industrial base should be used to serve not only the local needs but also the needs of the entire world, atleast in a few chosen areas. The brand India and the brand Singapore must cohesively join to create an enviable brand Indo-Singapore. I think the entrepreneurs from Asian countries must work towards creating jointly owned and operated enterprises that have a global brand come out of the 'World Knowledge Platform'. It is such an innovative and adventurous partnership, which we need to create through this World Knowledge Platform. Here all are equal partners. We will be open to others who share the same objectives and values. India will be pleased to begin the process if all of you are interested.

Conclusion

Let us think together, what are the types of enriched partnerships possible between Asian nations based on my presentation. Three distinct areas can be identified which can increase the prosperity of the people of Singapore and India. They are, (i) Transforming the nation towards Knowledge society with innovation as the thrust area influencing the information society, industrial society and agricultural society. (ii) As I have indicated in my presentation, 540 million youth below 25 years is an important asset of India. This resource will have two components. One at the university level and another with secondary education supplemented by high quality vocational skill. Knowledge workers will come out of this Global Human Resource Cadre. Definitely, Singapore can participate in the evolution of this cadre. (iii) Evolution of 'World Knowledge Platform' which will empower the partner nations with the collective core competence as a base.

For success in all the missions, which we have discussed so far, we need creative leaders. Creative leadership means exercising the vision to change the traditional role from the commander to the coach, manager to mentor, from director to delegator and from one who demands respect to one who facilitates self-respect. I am sure creative leadership spearheads all the institutions and the future aspiring institutions. For a prosperous and developed nation, the important thrust will be on the growth in the number of creative leaders and innovative organizations that can create wealth through dedicated management system.

Such leaders in our countries will facilitate global competitiveness to both our nations and help in creation of knowledge societies on our

Planet. Particularly the mission of creative leaders will be the evolution of enlightened societies through the “World Knowledge Platform”.

Wish you all the best.

F F F F F

273. Address by Dr. A.P.J Abdul Kalam at Nanyang Technological University (NTU)

Singapore, February 2, 2006

TECHNOLOGY CONVERGENCE AND NATIONAL DEVELOPMENT

I am indeed delighted to address the eminent scholars and students of the Nanyang Technological University (NTU). My greetings to the professors, teachers and students of this great university. The Nanyang Technological University has grown to become a high technology institute with advanced research programmes. When I see your technological performance, I admire you for your sustained excellence in the last few decades, shaping the standards of world class technologies and making not only Singapore but whole Asia proud. When I see the vibrant technologists I thought of discussing with you on a very important development of Technology Convergence and National Development.

Technology Evolution

Throughout the last 120 centuries of mankind inhabiting this planet, unique cultures have come into existence due to advancement in technology. The first 118 centuries had a dominance of primarily stone, bronze & iron ages. The last two centuries have seen rapid development of chemical age. The advancements made in material science and technology gave the impetus for both nuclear and biological age to flourish. Succession of these technology periods has involved progression from simpler materials to more complex forms of science and engineering. We are today at the convergence of Nano, Bio and Information technologies. This age, I feel will create historical revolution and the nation like ours particularly a technological and academic institution have to launch a research and teaching programme on the convergence of technologies, that will have a tremendous societal impact.

Scientific Scene in Pre-independent India

In India, science and technology took a two-phase progress with high scientific momentum created in 1930s, by the great scientists of international repute. They gave the country the confidence. We remember the pioneering contributions to science made by Chandrasekhar Subramaniam for his Chandrasekhar limit and black hole, Sir CV Raman for his discovery of the 'Raman effect', Srinivasa Ramanujan for his contributions towards number theory, JC Bose in the area of microwaves, SN Bose, famous for Bose-Einstein statistics and Meghnad Saha for 'Thermo-Ionization Equation'. This phase, I consider the glorious phase of Indian science. The scientific foundation laid by them triggered the later generations. The unique similarity between all these scientists is that they had dedicated their entire life for the cause of scientific research and the spirit of inquiry for the fields that they have chosen amidst all the hurdles and problems in their life. Science always gives lifetime missions to the scientists, and then only success comes. It is a question of dedication, commitment and understanding and also the environment for research in science, which gives birth to the scientists for the nation. They inspired many later generation scientists including GN Ramachandran, the originator of triple-helix.

Let me now discuss on how India had built the S&T base and drew the road map leading to national development using science and technology particularly in the field of defence, space and atomic energy in the post independent era. The science and technology had also fed critical inputs to reaching self-sufficiency in food through the Green Revolution and milk production through the White revolution.

The post-independence phase of Indian science and technology

In history, any country revolves itself initially around a few stout and earnest knowledge giants. Particularly I took interest to study the lives of three scientists, as I was interested in their scientific technological leadership qualities that focused the relationship of S&T and development of the nation. In the history of India, there may be many, but I was very close to these three great personalities for one reason or the other. They are founders of three great institutions. I worked in two of the institutions directly and one in partnership. Dr DS Kothari, a Professor in Delhi University was an outstanding Physicist and also an Astrophysicist. He is well known for ionization of matter by pressure in cold compact objects like planets. This theory is complementary to thermal ionization work done by Dr Meghnad Saha his

guru. Dr DS Kothari set a scientific tradition in Indian defence tasks when he became Scientific Adviser to Defence Minister in 1948; He created a Board of Advisors to the Scientific Advisor consisting of Dr. H.J. Bhabha, Dr. K.S. Krishnan and Dr. S.S. Bhatnagar. Later the Board was renamed as Scientific Advisory Board with enlarged membership.

He established the Defence Science Centre to do research in electronic material, nuclear medicine and ballistic science. He is considered as the architect of defence science in India. His race continued and followed up with momentum working and contributing in the areas of strategic systems, electronic warfare systems, armaments and life sciences.

Pioneer in Indian Nuclear science

Now, let me discuss about Homi Jehangir Bhabha . He did research in theoretical physics in Cambridge University. During 1930-1939, Homi Bhabha carried out research relating to cosmic radiation. In 1939, he joined Sir CV Raman in IISc Bangalore. Later, he was asked to start the Tata Institute of Fundamental Research with focus on nuclear science, mathematical science and established Atomic Energy Commission in 1948. Multi centers were born with his vision in nuclear science to nuclear technology, nuclear power, nuclear devices and nuclear medicine. These science institutions established multi technological centers with basic science as a vital component.

Indian Space Visionary

Prof Vikram Sarabhai, the youngest of the three, worked with Sir CV Raman in experimental cosmic ray research. Prof Sarabhai established Physical Research Laboratory (PRL) Ahmedabad with Space research as focus. PRL was the cradle of Indian Space Programme. Prof Vikram Sarabhai unfurled the space mission for India in 1970 that we should build Satellite Launch Vehicle capability, to put our communication satellites in the geo-synchronous orbit and remote sensing satellites in the polar orbit. Also, he envisaged that launch vehicles built in India should be launched from Indian soil. This one visionary thought led to intensive research and development in multiple fields of science and space technology. Many of us had the fortune to be part of Prof. Vikram Sarabhai's vision. My team and myself participated in India's first satellite launch vehicle programme to put the satellite in the orbit. Today, India with her 20,000 scientific, technological and support staff in multiple space research centres, supported by about 300 industries and academic institutions, has the capability to build any type of satellite launch vehicle to place remote

sensing, communication and meteorology satellites in different orbits and space application has become part of our daily life.

Aerospace Technology Strength

Due to various aerospace programmes, multiple state-of-the-art technologies got developed. Computational Fluid Dynamics (CFD) emerged as core strength for India with advanced software codes and super computing capability to optimize configurations for guided missiles, LCA and launch vehicles. CAD/CAM has become the order of the day for Aerospace systems and virtual reality systems have been developed which reduces the design and product realization time by as much as 40%. India has developed fibre optic and ring laser gyros with better accuracies, micro processors, microwave components and devices, phase shifters, onboard computers and foundries for making VLSI and MMIC components have also been set up thus making India self reliant. In the area of propulsion, ISRO's large solid propulsion booster giving 500 tonnes of thrust, liquid propulsion in DRDO and ISRO, and the development effort of Cryogenic engine has enabled establishment of a sound base in propulsion technology.

Convergence of Technologies

The information technology and communication technology have already converged leading to Information and Communication Technology (ICT). Information Technology combined with bio-technology has led to bio-informatics. Now, Nano-technology is knocking at our doors. It is the field of the future that will replace microelectronics and many fields with tremendous application potential in the areas of medicine, electronics and material science. When Nano technology and ICT meet, integrated silicon electronics, photonics are born and it can be said that material convergence will happen. With material convergence and biotechnology linked, a new science called Intelligent Bioscience will be born which would lead to a disease free, happy and more intelligent human habitat with longevity and high human capabilities. Convergence of bio-nano-info technologies can lead to the development of nano robots. Nano robots when they are injected into a patient, my expert friends say, it will diagnose and deliver the treatment exclusively in the affected area and then the nano-robot gets digested as it is a DNA based product.

Convergence of ICT, aerospace and Nano technologies will emerge and revolutionize the aerospace industry. This technological convergence will enable building of cost effective low weight, high payload, and highly

reliable aerospace systems which can be used for interplanetary transportation.

Bioinformatics: The convergence of bioscience and IT into Bioinformatics has given the thrust to researchers for genomics-based drug discovery and development. Pressure is mounting over the pharmaceutical companies to reduce or at least control costs, and have a growing need for new informatics tools to help manage the influx of data from genomics, and turn that data into tomorrow's drugs.

Bioinformatics data play a vital role and emerging as a business model for the medical and pharmaceutical sector. Key areas such as gene prediction, data mining, protein structure modeling and prediction, protein folding and stability, macromolecular assembly and modeling of complex biological systems are thriving and IT has major role to play in these areas in bringing the tools to manage the high throughput experiments and the data they generate, and sharing and integrating all the data in a meaningful way resulting into the detailed models of complex systems, particularly biological pathways.

BioSuite: When I visited Hyderabad on 14th July 2004, I launched the Bio-Suite which is an important software package that caters to all aspects of computational biology from genomics to structure-based drug design. It incorporates the latest publicly known algorithms, as chosen by a panel of academic partners, and has been coded entirely by the Tata Consultancy Services (TCS) team, using the software engineering practices. It can be used by academic and R&D institutions, small/medium and large biotechnology companies. This bio-suite was developed by TCS in collaboration with Council for Scientific and Industrial Research (CSIR) and academic institutions, for cost effective drug development in India.

Gene Chip: In 2004, I visited Dr. Cherian's Medical Centre at Chennai. It is known as,

International Centre for Biomedical Sciences and Technology (Research & Applications). There I interacted with Dr. Emmanuel, who is working in the area of Gene Chip. They have developed a Gene Chip which can be used for finding the existence of genetic diseases including coronary artery diseases or neuro defect in the baby during a certain stage of pregnancy itself. The chip could also be modified to suggest to the patient's system to develop those chemicals which in turn will help the patient recover from the present situation. The specialists assembled here

may like to debate whether gene chip can be used for identifying the susceptibility of the baby to the allergic diseases in the advanced stage of pregnancy. Can medical bio-informatics help in finding a treatment regime for the mother which may give immunity to the child from the allergic disease.

It is reported that gene differences between humans and most animals are very nominal. More than 90% of our DNA is similar. This property is a boon to researchers since animal models can be subsequently used for curing human diseases based on trial data. Medical researchers are progressing further in this area for finding the application of Gene Chip as a diagnostic tool and as a treatment regime for allergic diseases and asthma.

India can work with R&D labs in Singapore for maximizing the application of medical bioinformatics for diagnostics and determination of treatment regime.

Nano Technology: When I think of Nanoscience and Nanotechnology, I would like to discuss about three scientists who have laid the foundation on nanoscience and nanotechnology. Mr. Richard Feynman, who described the concept of ‘building machines’ atom by atom in his talk at Caltech titled “There is plenty of room at the bottom”. Mr. Eric Drexler, who wrote the book titled ‘Nano Systems, Molecular machinery, manufacturing and computation’. Prof CNR Rao, who pioneered and fostered the nanoscience research in India. Molecular nano technology has enormous potential for future aerospace systems and health areas. Research has shown that newly discovered class of molecules, leading to the development of carbon nano tubes that they have multiple applications in the system developed in the areas of electronics particularly nano-electronics and power systems. Carbon nano tubes are normal form of carbon with remarkable electrical and mechanical properties. It is hoped that such materials could revolutionize electronic design and open the space frontier by radically lowering the cost of launch to orbit.

Carbon Nano tubes reinforced with polymer matrix will result in composites which are super strong, light weight, small and intelligent structures in the field of material science. This has tremendous aerospace applications.

Molecular switches and circuits along with nano cell will pave the way for the next generation computers. Ultra dense computer memory coupled with excellent electrical performance will result in low power, low cost, nano size and yet faster assemblies.

Energy for future generations: The era of wood and bio-mass is almost nearing its end.

The age of oil and natural gas would soon be over even within the next few decades. The world energy forum has predicted that fossil based oil, coal and gas reserves will last for another 5 - 10 decades only.

Hydrogen fuel and solar rays are the two modes to get clean power. The solar rays, when passed through presently available solar photovoltaic cells has an efficiency of less than 20%. I would like to discuss the latest research in the area of photo-voltaic cells using Carbon nano tubes which can give an efficiency of over 45%.

CNT based solar cells for higher efficiency

Conventional photovoltaic cells based on amorphous silicon has quantum efficiency of less than 20%. This low efficiency has restricted the use of solar cells for large application for power generation. Research has shown that the Gallium Arsenide (GaAs) based PV cell with multi junction device could give maximum efficiency of 30%. Therefore, the present research trend is on the use of Carbon Nano Tube (CNT) based PV cell. Both single wall CNTs and multi wall CNTs have been used as electrodes, as electron acceptor which can split exciton into electrons and holes to produce electricity.

The CNTs provide better electron ballistic transport property along its axis with high current density capacity on the surface of the solar cell without much loss. Higher electrical conductivity and mechanical strength of CNT could improve the quantum efficiency to the order of 35%. But, this is not sufficient. But recently Scientists have established the fact that the alignment of the CNT with the polymer composites substrate is the key issue and this aligned CNT based PV cells would give very high efficiency in photovoltaic conversion. The polymer composites increase contact area for better charge transfer and energy conversion. In this process, the researchers could achieve the efficiency of about 50% at the laboratory scale. The optimum efficiency was achieved with the aligned CNTs with poly 3 – octyl thiophene (P3OT) based PV cell. P3OT has improved the property due to polymer – nano tubes junctions within the polymer matrix. High electric field within the nano tube splits the exciton to electrons and holes, and enables faster electron transfer with improved quantum efficiency of more than 50%. I am sure, scientific researchers in Nanyang Technological University will be excited to work in this area of

research in partnership with industries so that we can get large scale production of aligned CNTs with P3OT based high energy solar cells.

Water for future generations: More than 70% of earth surface is having water; but only one percent is available as fresh water for drinking purposes. By the year 2030 when the world population touches eight billion, as many as seven billion will be living under conditions moderate, high and extreme water scarcity. Space and Nano technology can provide solution for using effectively the solar energy for desalination of sea water employing CNT based membranes through reverse osmosis process.

Emerging Aerospace Technologies

Emerging technologies such as MEMS, Nano, Information technology, biotechnology, space research, Hypersonics and High power lasers and microwave will be dominating the future in every field and applications. The advancements in material science and technology will give a major thrust to the realization of advanced aerospace systems. As we have already discussed about the convergence of Nano, Bio and Information technologies, that will also lead to new generation aero space devices and products.

MEMS & Nanotechnology: The advances in the fields of micro-electromechanical systems (MEMS) and nanotechnology have paved the way to the evolution in the ability to manufacture smaller and smarter products. MEMS bring together microelectronics with micromachining technology, allowing unprecedented levels of functionality and reliability to be placed on a small silicon chip. Nanotechnology, on the other hand, is the science of assembling atoms and molecules that respond to stimuli, with dimensions on the order of a nanometer (one in billion of a meter).

MEMS Devices for aerospace application: Micro Electro Mechanical Systems (MEMS) technology is having a profound impact in the aerospace field with the miniaturization of electronics. These tiny machines, often only a few micrometers in size, are already replacing conventional larger equipment. Given their microscopic size and weight, MEMS can use higher frequency and bandwidths and can be slipped into tighter and even more environmentally stressed locations. Once in production, unit prices are lower; once in operation, power consumption is negligible. Examples of which are pressure sensors, fluid flow sensors, magnetic sensors, gyros, accelerometers and more. MEMS is also expected to play a significant role in dramatically reducing the cost of space

exploration with substantial savings in weight and increased reliability and functionality. MEMS could lead to the development of extremely low cost micro satellites.

The Future Challenges

1. Reproducible mass production (kg levels) of identical high quality CNT.
2. Development of self-sustaining, self-replicating hybrids of CNT and silicon to perform augmentation and repair of DNA Development of intelligent wearable systems using nano technology.
3. Solution to Cancer, Parkinson and AIDS diseases: through biosensors, devices and drug delivery systems.
4. Realization of molecular sized machines. Remote sensing through nano Unmanned Aerial Vehicles and satellites.

Technology to Society – Societal Grid

Such development of technologies and their convergence have significant influence on the society in terms of knowledge, health care, governance and economic development. To maximize the synergy between the various components of education, healthcare, egovernance, rural development we need to establish connectivities among them. These connectivities will certainly bring seamless access and information flow among the various domains leading to maximization of GDP and productivity; hence, there is need for establishing the GRIDs namely Knowledge grid, healthcare grid, e-governance grid and the PURA (Providing Urban Amenities in Rural Areas) knowledge grid. This interconnecting grid will be known as societal grid. Knowledge sharing, knowledge utilization and knowledge re-use is very vital by all constituents of the society for promoting non-linear growth. Societal Grid consists of:

1. Knowledge GRID - Inter connecting universities with socio-economic institutions, industries and R&D organizations.

2. Health Care GRID - Inter-connecting the Health Care institutions of Government, Corporate and Super specialty hospitals. Research institutions, educational institutions and ultimately, Pharma R & D institutions.

3. e-Governance GRID - Inter-connecting the Central Government and State Governments and District and Block level offices for G2G (Government to Government) and G2C (Government to Citizen) connectivity.

4. PURA Knowledge GRID -Connecting the PURA Nodal centers with the Village knowledge centres and Domain service providers.

We have, so far discussed all the four connectivities required for the societal transformation. These connectivities can form the basis for providing platform for societal transformation leading to empowerment. This will blossom with the enabling environment of trust and confidence in the overall system.

ASEAN Passenger Jet

India has nearly 50 years of experience in aerospace industry having designed developed and manufactured both civilian and military aircraft, particularly the SARAS and Light Combat Aircraft (LCA). A very large infrastructure has been built in multiple locations in the country for Design, Development and Manufacture. In Singapore, the technology buildup in terms of electronics components, Simulators and Integration has reached a high level of maturity. Therefore putting together our capabilities the aerospace community in India and Singapore must come out with the design of ASEAN passenger jet to support the huge demand of travel in various parts of the world in the coming decades. Hence ADA (Aeronautical Development Agency) and Hindustan Aeronautics Limited (HAL) of India and Singapore Technologies (ST) can come forward with a Joint Venture proposal for joint design, development, production and marketing of ASEAN Passenger Jet. They also can work out Joint programmes for aircraft maintenance, repair and overhaul to cope with the growing requirements of International Aviation Industry.

Conclusion

Both India and Singapore in an integrated way have a large technological resource in terms of Knowledge and human capital. Also, India has rich experience in major mission mode programmes and joint ventures. As the technologies are converging a major collaborative effort in Nano-Bio-Info area between our nations will certainly result in new devices and systems which will benefit not only our two societies but entire mankind. Both Singapore and India should work towards using this convergence of major disciplines towards making the world healthier, prosperous, happy and peaceful.

My best wishes to all the members of Nanyang Technological University and the distinguished guests in your missions.

274. Address by President Dr. A.P.J. Abdul Kalam at Singapore-India Fine Arts Society.

Singapore, February 2, 2006.

I am delighted to visit the Singapore India Fine Arts Society. My greetings to the pioneers who conceived and established this institution for promoting music and dance in Singapore, music lovers, musicians and artists participating in this function. I am happy to note that this Fine Arts Society is propagating and preserving Pan Indian curriculum which reflects the cultural diversity of a vast country with an ancient heritage.

For promoting the cause of music and dance among the youth of Singapore, the Society is conducting full-fledged graduate and diploma programmes. I would like to congratulate the graduates and diploma holders who have excelled in various facets of music and dance. Music generates peace, happiness and harmony which I have experienced in my own personal life while playing Veena, an ancient string instrument. When I play certain ragas in Veena or listen to a great exponent Ustad Bismillah Khan, the bliss of music enters into my body and soul and creates a feeling of profound peace and happiness within. As a scientist, I am convinced that the nature functions as a rhythm whether it is a rhythm of heartbeat, movement of electron in the orbit or the high/low tides of the sea. Everything is rhythmic and musical.

Composite Culture Enriches our Tradition

During my visit to different parts of the country, I find that the rural folk and the tribal communities are nurturing the love for music and dance since ages. Many times they just need an opportunity to break into song and dance. It is here that I find our tradition and culture are being put to effective use by smoothening the rough edges of life in our countryside. Also, they are helping us in preserving, propagating and developing our cultural traditions since centuries. In fact, I might say that the evolution of our music, dance and theatre has been woven by our rural folk into the very history of our nation. It gives meaning to the life of our people. The intermingling of diverse streams which make up our composite culture has fully enriched our tradition of artistic expression and should be actively encouraged by Singapore India Fine Arts Society.

Music Unites

Music unites. What better proof we need than Carnatic music. Its trinity sang their kritis in Telugu and Sanskrit in Tanjore district;

Purandaradasa in Kannada. Annamacharya in Telegu. Arunagirinathar in Tamil. But for music lovers, the language never mattered. Music establishments at Travancore in Kerala, Tirupati in Andhra, Thanjavur in Tamil Nadu and Mysore in Karnataka; all of them dazzled like gems in a necklace. The thread of music united these beads. I believe that music itself is a great communication, and language can never be a barrier.

Here I am reminded of a famous poetry by RUMI. “Angel is free because of his knowledge, The beast because of his ignorance, Between the two remains the son of man to struggle” Music elevates the struggling mind and gives knowledge and wisdom.

Kannada kritis in Carnatic music

With their divine compositions, Purandaradasa and Sadasiva Brahmendra continue to uplift the minds of millions even this day. When I hear Balamurali Krishna sing ‘Cetaha Sriramam’ or when I hear MS Amma sing ‘Broohi mukendeti’ or when I hear ‘Neene doddavano’ of Madurai Seshagopalan, joy and elevated thoughts can only be experienced. Similarly, when we hear Kishori Amoankar sings nainanu neenu bahe or a ballad of Bhojpuri; or when we hear, Papanasam Sivan’s Amba manam kanindhu or Anandanadamidum even if we do not follow the rhymes, we get an out of the world experience.

Rashtrapati Bhavan Experience

To pay a tribute to the India’s Cultural heritage we have started “Indradhanush” which organizes cultural events in the art theatre of Rashtrapati Bhavan. The aim of “Indradhanush” is to acknowledge the contribution of the renowned as well as the young budding artists. So far, we have organized twenty such programmes. Although most of the programmes are held in the Art Theatre, a flute performance by Maestro Pandit Hari Prasad Chaurasia organized in the Moghal Garden Lawns on a full moon night was an elevating experience. He was accompanied by Tabla Maestro Ustad Shafat Ahmed Khan, who is not with us anymore. I pay my tributes to this great artist.

We had a similar programme in November 2004 with Maestro L. Subramanian, a famous Violinist. Recently, a Ghazal performance by Shri Jagjit Singh received an overwhelming response from the invitees. When I interact with the audience after the programmes, they have expressed that it is a life time experience to listen to the maestros. It was an elevating experience to listen or witness the performance amidst their busy schedule,

especially in the Mughal Garden environment and peace descended on me. I would like to share with you my experience with two Nadaswaram Vidwans – Sheikh Mahboob Subhani and Smt. Subhani. They gave an excellent Nadaswaram performance to the Rashtrapati Bhavan audience. After the recital I requested the couple to perform for the differently abled children, whenever they get an opportunity. They made it a point to perform for some of our special children in Chennai and I understand that it gave lot of happiness to these special children. This is a very noble cause and I would request the artists assembled here to follow this example whenever they get an opportunity.

In addition, we have also organized five cultural programmes of young prodigies on various important occasions. I still remember the unique performance of Master Siddharth Nagarajan a seven year old boy who played the drums and I understand he holds the title of “Youngest Drummer of India” in the Limca Book of Records. Apart from this, sixteen year old L. Athira’s violin performance mesmerized the audience. Let us encourage our children and youth to participate in arts and culture and demonstrate their abilities which will not only motivate the other children to perform better in their field of expertise, but also bring in societal harmony.

Fusion of Music

When I visited South Africa I attended a cultural programme at Chatsworth. There I saw a fusion dance in which Zulu dance form, Bharatnatyam and Ballet was presented in an excellent fashion. The coordination between the artists and the rhythm of music stole the show. In the same programme, one native African Patrick sang a Carnatic music kriti in Hamsadwani raga. It was a beautiful rendering. Such fusion demonstrates the principle that music and dance do not have any borders. In Indian environment, I have seen such beautiful mingling of different art forms in fusion presented by Dr.L.Subramaniam, Raja Radha Reddy and Maestro Bismillah Khan.

Conclusion

Music, Dance, Drama for Unity of minds I had an opportunity of witnessing great exponents of music and dance. The experience of listening and seeing them leads me to think that whether music and dance can be used as an instrument for ensuring global peace and act as a binding force. In recent years, terrorism is taking a heavy toll of many innocent lives. I was thinking whether there is any alternative solution other than military, economic and judicial approach to end this problem. I am now

convinced that one of the important tools in Asia could be music and dance for containing terrorism. Fortunately, we have a rich civilisational heritage of 5000 years blending literature, music, dance and dramatics.

I am happy to note the Singapore India Fine Arts Society has completed more than half a century in the service for music and dance. I wish you many more centuries in the service of fine arts. My best wishes to all the members of Singapore India Fine Arts Society in their mission of promoting music and dance among the youth living in Singapore.

May God bless you all.

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275. President Dr. A.P.J. Abdul Kalam's Interactive Session with Top Intellectuals of Singapore at Hotel Shangri-La Singapore, February 2, 2006

DYNAMICS OF ECONOMIC GROWTH IN INDIA

I am indeed delighted to interact with the Intellectual community of Singapore. We honour the intellectuals of Singapore who have provided the leadership and vision for the development of the nation. I would like to talk on the topic Dynamics of Economic Growth in India.

Ambience in the Nation

In the recent history, very rarely India has come across a situation, all at a time, an ascending economic trajectory, continuously rising foreign exchange reserve, reduced rate of inflation, global recognition of the technological competence, energy of 540 million youth, umbilical connectivities of 20 million people of Indian origin in various parts of the planet, and the interest shown by many developed countries to invest in our engineers and scientists including setting up of new R&D centers. Above all India as the largest democracy in the world, has a reputation for its democracy and for providing leadership for the one billion people with multicultural, multi-language and multi-religious backgrounds. Our technological competence and value systems with civilizational heritage are highly respected. Foreign Institutional Investors find investing in India attractive. Indians are also investing in companies abroad and are opening new business

ventures. As per the report titled "From the Ganges to the Thames" which states that the Indian Foreign Direct Investment in British capital is second only to that of the US and Indian FDI project in Europe has increased from just 5 to 119 during the period 1997 to 2004. The Government is also committed to economic development by ensuring growth rate of 7% to 8% annually, enhancing the welfare of the farmers and workers and unleashing the creativity of the entrepreneurs, business persons, scientists, engineers and other productive forces of the society. We are using this opportunity for transforming India to a Developed nation before 2020. This calls for the agriculture, manufacturing and service sectors becoming globally competitive leading to economically competitive. Then a following competitive profile will emerge that will create more opportunities to the corporate sectors working in India and Singapore.

Profile of a Globally Competitive India

1. A Nation where the rural and urban divide has reduced to a thin line.
2. A Nation where there is an equitable distribution and access to energy and quality water.
3. A Nation where agriculture, industry and service sector work together in symphony, absorbing technology thereby resulting in sustained wealth generation leading to greater high value employment opportunities.
4. A Nation where education is not denied to any meritorious candidates because of societal or economic discrimination.
5. A Nation which is the best destination for the most talented scholars, scientists, and investors from all over the world.
6. A Nation where the best of health care is available to all the billion population and the communicable diseases like AIDS/TB, water and vector borne diseases and other stress diseases, cardiac diseases, cancer and diabetes are brought down.
7. A Nation where the governance uses the best of the technologies to be responsive, transparent, fully connected in a high bandwidth e-governance grid, easily accessible and simple in rules, thereby corruption free.
8. A Nation where poverty has been totally eradicated, illiteracy removed and crimes against women are absent and the society feels unalienated.

9. Nation that is prosperous, healthy, secure, peaceful and happy and continues with a sustainable growth path.
10. A Nation that is one of the best places to live in, on the earth and brings smiles on a billion plus faces.

It is indeed a big challenge of high magnitude. For achieving such a competitive profile for India, we have a vision of realizing this goal in a time bound manner.

Our National mission - challenges

Our nation is going through a major challenge of uplifting of 260 million people who are below the poverty line and also to give better life for many millions who are on the border line of poverty or just above the poverty line. They need a decent habitat, they need work with reasonable income, they need food, they need speedy access to health care, and they need education and finally they need a good life and hope for a better future. Our GDP is growing at more than 7% per annum on an average. Whereas, the economists suggest that to uplift the people from below the poverty line, our economy has to grow at the rate of 10% per annum consistently, for over a decade.

Integrated action: To meet the need of one billion people, we have the mission of transforming India into a developed nation. We have identified five areas where India has a core competence for integrated action: (1) Agriculture and food processing (2) Reliable and Quality Electric power, Surface transport and Infrastructure for all parts of the country. (3) Education and Healthcare (4) Information and Communication Technology (5) Strategic sectors. These five areas are closely inter-related and if properly implemented, will lead to food, economic and national security of our country.

Engines for Growth: Emphasis should be on full utilization of natural and human resources of the nation to meet the demands of the modern society. We should also remember that about 50% of our population is young people with aspirations for better living. Value addition in Agriculture, Manufacturing and Service sectors, building the national core competence and technologies will lead to additional high income employment potential. The engines for growth will be accelerated by launching of the five national missions viz. water, energy, education and skills, infrastructure and employment generation. The totality of these five missions will enable achievement of 10% GDP growth rate per annum. It is possible to do so

with ecological and economic sustainability. It is not the mission of governments. It is a collective efforts of big and small businesses, science and technology and academic institutions, foreign investors, and many others who have confidence about India.

With these aspects in view, we have already laid down the road map. The priority for the government is to convert the road map into various missions. It is to be done in a decentralized manner allowing a greater role for private enterprise and local initiatives. While converting the vision into different missions we seem to have many thoughts and variety of routes to reach the goal. This is where there is a need to have a coherent thinking among all the members of the society, including the legal and law and other agencies. All of us have to think that the nation is greater than an individual or an organization. All of us should believe, that “we can do it”. The key question before us is: How to create such an enabling environment?

Changing Pattern of Society

When the world was moving from the industrial to information and knowledge era, we witnessed a changing pattern in the sectoral share of GDP and the number of people employed in each sector. The sectoral share of Gross Domestic Product (GDP) percentage has undergone a considerable change. Contribution of agriculture to India's GDP has reduced from 39% to 22% during the period 1979 to 2004. During the same period contribution of manufacturing sector has moved from 24% to 27% and whereas the contribution from the services sector has increased from 37% to 51%. There has been considerable change in the employment pattern also. The percentage of people employed in agriculture has come down from 64% to 54%. Simultaneously, the percentage of people employed in manufacturing has gone up from 15% to 19% and in the service sector from 20% to 27%. This trend has to continue and by 2020 our employment pattern should aim at 44% in agriculture, 21% in manufacturing and 35% in service sectors. The displacement of 10% people from agriculture sector has to be facilitated through skill enabling for undertaking value added tasks in the rural enterprises so that migration to urban area is reduced. Instead of the person from the rural areas going to urban towns in search of jobs in manufacturing and services sectors, PURA (Providing Urban Amenities in Rural Areas) facilitates creation of employment in the rural areas itself. PURA achieves this by providing physical, electronic and knowledge connectivities to a cluster of villages thereby leading to their

economic connectivity and prosperity. Knowledge creation and knowledge utilisation is the key to the success of a PURA programme. PURA programme generate many business opportunities.

National Missions and opportunities:

Let me discuss some of the national missions that India is giving thrust for achieving sustainable economic development for all the regions of the nation. I am sharing these missions with the Singapore Intellectuals so that you may like to participate in developmental process of India. First, I would like to discuss about PURA.

Providing Urban Amenities in Rural Areas (PURA)

The number of PURA units for the whole country is estimated to be 7000. This envisages integrated connectivities to bring prosperity to rural India. These are - physical connectivity of the village clusters through quality roads and transport; electronic connectivity through telecommunication with high bandwidth fiber optic cables reaching the rural areas from urban cities and through Internet kiosks; and knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes. These three connectivities will lead to economic connectivity through starting of enterprises with the help of banks, micro credits and marketing of the products.

Each PURA cluster will connect about 20 villages depending upon the region and population and will cost about Rs.100 crores (~\$20 Million). After initial short-term employment during construction etc., we have to plan for initiating actions for providing regular employment and self employment opportunities in nationally competitive small enterprises in agro processing, manufacturing and services sectors for about 3000 people. If the industrial/business parks are marketed well, they can generate employment opportunities in support sector for about 10,000 people in that cluster. This will provide sustainable economy for the rural sector. In this national mission, bankers can promote entrepreneurship in the rural areas. This will lead to the removal of urban-rural divide. This experience can become a model for other countries to follow.

PURA as an Enterprise: A large number of banks have entrepreneurial development programmes. Banks have also been funding Small Scale Industries of different types in various regions. The small scale industrialist is a promising candidate for becoming the chief executive for managing the PURA complexes in an integrated way. PURA enterprises

can also undertake management of schools, health care units, vocational training centres, chilling plants, silos and building a market, banking system and the regional business or industrial units. A new mission mode management style has to emerge for PURA enterprises. It should not be looking for protective legislations to support them. Rather they should be efficient to compete with others. This new PURA enterprise needs partnership from the bank, from the Government and also from the private entrepreneurs. Banks can train the entrepreneur for managing the PURA in their training centres and also provide them loans for creating and running PURAs as a business proposition.

Our growth focus in the ICT Sector

Now let me discuss about the potential of ICT sector in India. Today the software industry in India is nearly 28 billion dollars (\$18 Billion Export and \$ 10 Billion Domestic Market) contributing to nearly 24% of nation's exports. This is through IT Services and ITES-BPO Sector, which accounts for around 3.5 % of the global market. India's core competence is in the area of IT services, IT Enabled Services (ITES) - Business Processing and Outsourcing (BPO). The business volume in these two sectors alone accounts for \$850 Billion. India's first aim is to capture at least 15% of the Global business volume in these two sectors, which is expected to be around 1.2 trillion dollars by 2008. The market share of the Indian Software industry in IT Services, ITES, and BPO alone should be around 200 billion dollars by 2008.

I consider this can be achieved, since our university system is contributing over three million graduates including Engineering graduates every year. This is a vital resource needed for growth in the IT Services, ITES and BPO. Now what is needed is the infrastructural establishment such as IT parks including call centres in large numbers for providing the services which can be established by our IT Companies and the state governments. We should aim at increasing the knowledge pool to 5 million Indian youth by the year 2008, which will enhance the existing efficiency by the factor of 2. Can the ICT Industry captains assembled here meet this challenge? Create BPO, Call Centres and ITES in rural sectors as a part of PURA Enterprises using the Electronic connectivity available in the form high bandwidth broadband connectivity as a dark fiber which has reached till the block level in India. India is planning to establish 2.5 lakh village knowledge centres. ICT industry can establish rural call centres in the model of Kisan Call centre established by the Ministry of Agriculture which can provide domain knowledge in the services, agriculture and manufacturing

sectors. This spread will increase the volume of users and automatically bring down the bandwidth cost and create a spiraling effect on efficiency and economy.

Tourism

In spite of all the variety of tourist destinations available, the present tourist arrival in India is 3.7 million. A strategy is getting evolved to increase the tourist arrival to at least 15 million within the next five years and 25 million within the next ten years in partnership with World Travel agencies and tourism specialists.

The specialists on tourism present here can study this model and suggest special island tourism packages for Lakshadweep and Andaman & Nicobar. In Lakshadweep, we can also provide hinterland tourist package due to its nearness to Kerala. This will be an additional promotional proposition for our tourism industry. The successful tourism needs quality infrastructure.

Energy Independence

Energy is the lifeline of modern societies. But today, India has 17% of the world's population, and just 0.8% of the world's known oil and natural gas resources. We might expand the use of our coal reserves for some time and that too at a cost and with environmental challenges. The climate of the globe as a whole is changing. Our water resources are also diminishing at a faster rate. As it is said, energy and water demand will soon surely be a defining characteristic of our people's life in the 21st Century.

Energy Security rests on two principles. The first, to use the least amount of energy to provide services and cut down energy losses. The second, to secure access to all sources of energy including coal, oil and gas supplies worldwide, till the end of the fossil fuel era which is fast approaching. Simultaneously we should access technologies to provide a diverse supply of reliable, affordable and environmentally sustainable energy.

As you all know, our annual requirement of oil is 114 million tonnes. Significant part of this is consumed in the Transportation Sector. We produce only about 25 % of our total requirement. The presently known resources and future exploration of oil and gas may give mixed results. The import cost today of oil and natural gas is over Rs. 120,000 crores. Oil and gas

prices are escalating; the barrel cost of oil has doubled within a year. This situation has to be combated. Energy Security, which means ensuring that our country can supply lifeline energy to all its citizens, at affordable costs at all times, is thus a very important and significant need and is an essential step forward. But it must be considered as a transition strategy, to enable us to achieve our real goal that is - Energy Independence or an economy which will function well with total freedom from oil, gas or coal imports. Is it possible?

Hence, Energy Independence has to be our nation's first and highest priority. We are determined to achieve this within the next 25 years i.e by the year 2030. This one major, 25year national mission must be formulated, funds guaranteed, and the leadership entrusted without delay as public-private partnerships to our younger generation, now in their 30's, as their lifetime mission in a renewed drive for nation-building.

The Intellectuals assembled here can participate in a big way in alternative energy programmes and banking sector should financially support these programmes. Now I would like to talk about Power Mission.

A. Power mission

Currently, India's power generating capacity is 100,000 mega watts of power. For meeting the development targets till 2020 our generating capacity has to increase to 300,000 mega watts. This additional power has to come from nuclear energy(20,000MW), hydroelectric systems(84,000MW), renewable energy(100,000MW) and thermal energy(96,000MW). The contribution from the renewable energy especially from solar energy and wind energy has to be increased to one hundred thousand mega watts. Urgent measures are needed to reduce the distribution loss to less than 5% from the existing 25%.

The country is to think in terms of sustainable clean power. India has abundant solar energy, thorium raw material and water resources. Let me now discuss about how we can harness these energy sources.

Solar farms: Solar energy in particular requires unique, massive applications in the agricultural sector, where farmers need electricity exclusively in the daytime. This could be the primary demand driver for solar energy. Our farmers demand for electric power today is significantly high to make solar energy economical in large scale.

Shortages of water, both for drinking and farming operations, can

be met by large scale seawater desalination and pumping inland using solar energy, supplemented by bio-fuels wherever necessary.

The current high capital costs of solar power stations can be reduced by grid-locked 100 MW sized Very Large Scale Solar Photovoltaic (VLSPV) or Solar Thermal Power Stations. In the very near future, breakthroughs in nanotechnologies promise significant increase in solar cell efficiencies from current 15% values to over 50% levels. These would in turn reduce the cost of solar energy production. Our science laboratories should mount a R&D Programme for developing high efficiency CNT based Photo Voltaic Cells.

We thus need to embark on a major national programme in solar energy systems and technologies, for both large, centralized applications as well as small, decentralized requirements concurrently, for applications in both rural and urban areas. This will be of particular interest to Singapore.

Nuclear Energy: Nuclear power generation has been given a thrust by the use of uranium based fuel. However there would be a requirement for a ten fold increase in nuclear power generation even to attain a reasonable degree of energy self sufficiency for our country. Therefore it is essential to pursue the development of nuclear power using Thorium, reserves of which are higher in the country. Technology development has to be accelerated for Thorium based reactors since the raw material for Thorium is abundantly available in our country. Also, Nuclear Fusion research needs to be progressed with international cooperation to keep that option for meeting the large power requirement, at a time when fossil fuels get depleted.

Hydro Power Generation: A typical hydro resource availability, which I would like to discuss with you as an example for the hydro power generation. Recently when I visited, Sikkim, I found that the innumerable streams and rivers flowing down the Himalayas provide Sikkim the potential of generating approximately 8000 MW of electric power through hydro electric process. I notice that work is progressing on hydel projects having installed capacity of over 700 MWs including one large hydel project with 510 MW capacity with financial support from state government, MNES and other agencies. In addition there are 21 schemes allotted to different private sector agencies and are in DPR or investigation stages. These schemes have a potential to generate over 4000 MWs of power. I have suggested that the Sikkim Government can take up these projects on mission mode, so that by 2010 all the additional 5000 MWs of power become available to

the state. This additional power will cater to the industrial and agricultural needs of the State and assist Sikkim in increasing the pace of development. The surplus power can be marketed to the main grid and can become a wealth generator for Sikkim.

Similarly, if we link the rivers across the nation, we will be able to generate over 65,000 Mega watts of hydel power. Public private partnership is required for this mission. The corporate executives assembled here can play a very important role in achieving this mission. This will be a very important infrastructural development project.

Apart from these missions, I would like to highlight how to make the environment clean and convert the municipal waste to generate the power.

Global Human Resources Cadre

In the 21st century, India needs a large number of talented youth with higher education for the task of knowledge acquisition, knowledge imparting, knowledge creation and knowledge sharing. At present India has five hundred and forty million youth under the age of 25 which will continuously be growing till the year 2050. Keeping this resource in mind, the Universities and educational systems should create two cadres of personnel: (1) a global cadre of skilled youth with specific knowledge of special skills (2) another global cadre of youth with higher education. These two cadres will be required not only for powering the manufacturing and services sector of India but also will be needed for fulfilling the human resource requirements of various countries. Thus, the universities will have to work towards increasing the throughput of the higher education system from the existing 6% to 20% by the year 2015, 30% by the year 2020 and 50% by the year 2040. The rest of the youth who are not covered by the higher education system should have skill sets in areas such as construction, carpentry, electrical systems, repair of mechanical systems, fashion design, para-legal, para-medical, accountancy, sales and marketing, software and hardware maintenance and service, software quality assurance personals etc. I would request Intellectuals of Singapore to be partners in this mission.

Conclusion

As you all belong to different specializations, I would like to talk to you about the linkage between the national economic development and creative leadership:

- Nation's Economic development is powered by competitiveness.
- The competitiveness is powered by knowledge power.
- The knowledge power is powered by Technology and innovation.
- The Technology and innovation is powered by resource investment.
- The Resource investment is powered by revenue and return on Investment.
- The Revenue is powered by Volume and repeat sales through customer loyalty.
- The customer loyalty is powered by Quality and value of products.
- Quality and value of products is powered by Employee Productivity and innovation.
- The Employee Productivity is powered by Employee Loyalty, employee satisfaction and working environment.
- The Working Environment is powered by management stewardship and sound project management.
- Management stewardship is powered by Creative leadership.

For success in all the missions which we have discussed so far, we need creative leaders. Creative leadership means exercising the vision to change the traditional role from the commander to the coach, manager to mentor, from director to delegator and from one who demands respect to one who facilitates self-respect. I am sure creative leadership spearheads all the institutions and the future aspiring institutions. For development and prosperity of any country, the important thrust will be on the growth in the number of creative leaders and innovative organisations that can create wealth through dedicated management system. Singapore has definitely been enriched by intellectuals like you.

My best wishes.

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276. Address by President Dr. A.P.J. Abdul Kalam at the Reception by High Commissioner of India in Singapore.

Singapore, February 2, 2006.

Umbilical Connectivity with India

I am delighted to meet and interact with the people of Singapore this evening. My greetings to all of you. Some of the people of Indian origin assembled here whose parents and grandparents left India's shores many years ago to build a life and a home in Singapore; as well as more recent arrivals who represent the finest of India's technical and professional talent. You are all inheritors of the great Indian tradition of assimilation, adaptation and creative genius and provide the best to the country in which you are living.

Stability in Pluralistic Society

Throughout my stay, I have seen numerous instances of your contribution to the socio-economic development of Singapore. You contribute not only to the economy but to the development and preservation of a stable multi-ethnic, multi-lingual, multi-religious society. These are values that Singapore and India share at a fundamental level. These are also values which define us as Indians, no matter which part of the world we live in. Singapore and India have a vital stake in ensuring that the world of tomorrow is one that protects the interest of all pluralistic societies. In the modern context, you are a vital link between India and Singapore, a country with which we enjoy the friendliest of relations. You have to play a crucial role in strengthening the strong multi-faceted relationship that Singapore and India are engaged in building, be it the political sphere or economic, commercial, academic and cultural fields. Today, India is one of the fastest growing economies of the world. I would like to discuss some of the developments taking place in India.

Ambience in the Nation

In the Indian history, very rarely our nation has come across a situation, all at a time, an ascending economic trajectory, continuously rising foreign exchange reserve, reduced rate of inflation, global recognition of the technological competence, energy of 540 million youth, umbilical connectivities of 20 million people of Indian origin in various parts of the planet, and the interest shown by many developed countries to invest in our engineers and scientists including setting up of new R&D centers. The

distinction between the public and the private sectors and the illusory primacy of one over the other is vanishing. India as the largest democracy in the world has a reputation for its democracy and for providing leadership for the one billion people with multi-cultural, multi-language and multi-religious backgrounds. And also our technological competence and value systems with Civilizational heritage are highly respected. Also, FII's find investing in India attractive. Indians are also investing abroad and opening new business ventures. As per the report titled "From the Ganges to the Thames" which states that the Indian Foreign Direct Investment in British capital is second only to that of the US and Indian FDI project in Europe has increased from just 5 to 119 during the period 1997 to 2004. The Government is also committed to economic development by ensuring growth rate of 7% to 8% annually, enhancing the welfare of the farmers and workers and unleashing the creativity of the entrepreneurs, business persons, scientists, engineers and other productive forces of the society. We are translating this opportunity for transforming India into a Developed nation before 2020.

Technology for societal transformation

The transformation of India will need transformation of six hundred thousand villages. This would need creation of seven thousand PURAs (Providing Urban Amenities in Rural Areas) spread in different parts of the country with physical connectivity, electronic connectivity, knowledge connectivity leading to economic connectivity. I suggested in the recently held Indian Science Congress that a decision could be taken to allot Rs. 500 crore to develop 100 PURA Clusters by the local educational institutions in the rural areas. Each cluster, comprising of 20 to 30 villages, will have an educational institution as a nucleus. The development will comprise of setting up of village knowledge centres; agro-clinics; Tele-education and Tele-medicine centres; and other employment oriented schemes such as bio-gas plants; water treatment plants (brackish to potable water); bio-fuel esterification plant; cold storage; consumer product development; vocational training centres and setting up of business centres by the entrepreneurs for national and international marketing of the products from these rural enterprises. In all these cases, the educational institutions should plan the activities in consultation with local people who are the beneficiaries of this programme.

A Performance Challenge

These hundred PURA programmes originating from educational institutions and with public-private partnership will provide the experience

for taking up big programmes in future in an industrial scale. This undertaking will build the capacities of the villagers and encourage the Indian entrepreneurs to become an active partner in this development process. These activities should not be treated as mere experiments and scientific knowledge; it is the application of science and technology to societal transformation. The winners are the academic institutions and the rural people belonging to the PURA Clusters. Finally, there should be a clear assessment whether the villagers have been benefited. A joint team of the village members and the scientists/technologists can do this. This will lead to the birth of the Civic Scientists. This is the performance challenge, which I would like to pose to the experienced scientific community and to the Government officials. This mission I gave since I had seen three operational PURA projects: one in Tamil Nadu which I have discussed earlier in the last year, second in Maharashtra and the third in Madhya Pradesh. In building a developed India the overseas Indians can participate by establishing a PURA around a cluster of villages in a region of your choice.

The Eternal Mother

Overseas Indians have been successful, thanks to the foundation in education and the heritage their home country gave them, and also the opportunities that the country they have gone has given. I receive visitors settled abroad from all walks of life. Many of them have brought their children first time to their motherland. They look for the warmth of human relations in India. This society remains a loving mother to grown up sons and daughters who always return. This I will call umbilical connectivity between the mother and the children. We belong to same umbilical connectivity, whether you are in India or in any other part of the planet.

Conclusion

In building an India of our dreams, I see an increasing role for the overseas Indian community. There are tremendous business opportunities whether in establishing PURA, in the field of manufacturing and services, or in the areas characterized by high Science and Technology, Biotechnology, Pharmaceuticals, Space Technology. In all these areas, we welcome your cooperation. I once again bring to you greetings from people back home. I wish you all success in your missions. Your prosperity is our happiness. My good wishes to all of you.

THAILAND

277. Statement by Official Spokesperson on the situation in Thailand

New Delhi, September 20, 2006.

We have noted the evolving situation in Thailand¹ and the commitment of the “Administrative Reforms Council” to return power to the people at the earliest. The Indian Community in Thailand is safe. We attach great importance to our relations with Thailand, a country with which India has ancient civilizational affinities and strong bonds of friendship and cooperation.

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1. The Spokesperson was referring to the situation created by an army coup in which Prime Minister Shinawatra was ousted while on a visit abroad. However the coup leader Gen. Sonthi Boonyaratglin assured the international community that a civilian government would be appointed in two weeks’ time and that the Constitution would be modified before elections scheduled in a year.

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278. Press Release issued by the Ministry of External Affairs on Minister of State E. Ahamed attending the 18th Arab League Summit.

New Delhi, March 30, 2006.

Mr. E. Ahamed, Minister of State for External Affairs on his return from the Eighteenth Arab League Summit has commented that India's policy on West Asia and our deep-rooted relationship with the Arab world has been acknowledged by the League of Arab States. Giving India an opportunity to express solidarity with Arab countries in the Plenary Session of Arab League Summit is a reflection of the importance attached to India by the Arab World and this gesture has been widely appreciated in India. He was delighted to say that as an Observer in the League of Arab States, India was the only country given the chance to read out the Prime Minister's message and to make its remarks on the first day of the Summit.

During the Summit, Mr. Ahamed met President and Vice President of Sudan, President of Palestine, His Highness Emir of Qatar, Deputy Prime Minister of Qatar, Ruler of Dubai and Prime Minister of UAE, Deputy Prime Minister of Sultanate of Oman and Foreign Ministers of Algeria and other countries.

India had pledged 10 million US dollars for development projects in Sudan. Mr. Ahamed was happy to announce that President of Sudan has accepted his suggestion to establish a Peace Park on the banks of River Nile in the name of Mahatma Gandhi and a Cultural Centre in the name of Jawaharlal Nehru in Khartoum at a cost of half a million US dollars. The balance of 9.5 million US dollars will be distributed for the developmental projects in both North and South Sudan. In addition, US\$ 100 millions line of credit will also be utilized for the various developmental projects in Sudan.

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279. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on the Situation in the Middle East at the Security Council.

New York, July 21, 2006.

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AFGHANISTAN

280. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and Afghan President Hamid Karzai.

New Delhi, April 10, 2006.

Dr. Manmohan Singh: Your Excellency, Mr. President, Ladies and gentlemen of the press,

It is always a pleasure to meet President Karzai and exchange views and experiences with him. In our meeting just before this, we had very fruitful discussions on a wide range of bilateral issues and matters of mutual interest to the people of this region. I took the opportunity to compliment the President, and through him, the people of Afghanistan on the successful completion of Parliamentary elections in Afghanistan. This is an important landmark in Afghanistan's progress in becoming a sovereign, democratic country.

During our talks, I reaffirmed India's commitment to extending full cooperation to the people and Government of Afghanistan in their reconstruction efforts. I informed President Karzai that India will provide additional assistance valued at US\$ 50 million to Afghanistan. This amount will thereby raise the total assistance we have committed to US\$ 650 million; the amount of US\$ 200 million has already been spent on various projects.

Three Memoranda of Understanding have been signed today, for promoting cooperation in Rural Development, Education Exchange Programme and on Standardisation. These are reflective of our broad-based involvement with Afghanistan's development.

We also discussed the security situation in Afghanistan and expressed concern at the increased terrorist activities in some parts of the country.

The President of Afghanistan and I reviewed our cooperation in a regional setting as well. I welcomed Afghanistan's entry into SAARC, as decided at the last summit meeting. It is a particular privilege for us that the first SAARC summit in which Afghanistan shall participate will be in India early next year. We have also agreed that India will host the second Regional Economic Reconstruction Conference for Afghanistan in New Delhi in November this year.

I should note that we are particularly happy to see the large business delegation for Afghanistan that is accompanying President Karzai. Its members will have a joint meeting with our Business Chambers later today. We would like to encourage such interaction and in order to encourage trade and investment ties, we shall consider establishing a Line of Credit facility of US\$ 50 million. We have also decided to set up a Joint Committee of the Commerce Ministers of the two countries to review the implementation of the bilateral Preferential Trade Agreement and promote bilateral trade.

Before closing, I would also like to extend a warm welcome to the Afghan artisans who have come to India for the Festival of Afghanistan which will be inaugurated tomorrow by President Karzai.

Mr. President, may I now invite you to say a few words to the press after which we could invite some questions. Thank you.

Mr. Hamid Karzai: Thank you very much Mr. Prime Minister.

Bismillah Ar-Rahman Ar-Rahim. Mr. Prime Minister, as always it is a great pleasure for Afghans to visit India. Today for me and my delegation it is an honour and pleasure to be invited by you, people of India, to visit India.

We in Afghanistan have witnessed in the past four years the cooperation and the friendship of India going out of its way to help us with rebuilding our lives in Afghanistan. India's help in Afghanistan has been in all walks of life. With emphasis I would mention India's help in rebuilding the infrastructure of Afghanistan and in helping us in strengthening the institutions of democracy in our country. India's building of our new Parliament is one immense project for us in Afghanistan.

We are very happy for India to give us scholarships for our young people - in education 500 and in vocational training another 500. And, as you mentioned Mr. Prime Minister, thousands of Afghans, the youth of our country, participated in the examinations in order to be able to come and study in India.

We, Mr. Prime Minister, thank India for helping us gain the membership of SAARC. Afghanistan will be a good, productive member of this organization.

The cooperation between us would definitely benefit our people and also I very much hope that the people of the region will benefit from this cooperation. Afghanistan is a democratic country. Afghanistan is happy to

be the newest democratic country and to be a friend with the greatest democracy in the world.

Mr. Prime Minister, I am sure the cooperation between our two countries will go a long way in bringing more stability and peace for Afghanistan and will also bring definitely business exchanges between the two countries.

Mr. Prime Minister, I have a big delegation with me. The reason is that the Afghan people want to visit India and find excuses to visit India. I have a business delegation with me that wants to seek opportunities in India, that also wants to attract Indian businesses to Afghanistan to invest and participate in the reconstruction of Afghanistan.

Tomorrow I will be visiting Hyderabad to see from close the Panchayat system there and also to see the Hi-tech City and Tata consultancy. I will also be exchanging views with some of the youngsters of India in Hyderabad tomorrow.

Mr. Prime Minister, this visit, as other visits, would deepen our relations, will take us further into the future, as two countries helping each other and cooperating with each other. Mr. Prime Minister, I once again on behalf of the Afghan people thank you for all that India has done and for the three agreements that we signed today. I am sure this cooperation would take the region further into prosperity and peace. In this, hope for that better day. Thank you.

Question (Mr. Hossain Ali Yassa, *Outlook Newspaper*): My question is to both the leaders, Excellency President Karzai and Excellency Manmohan Singh.

As both of you addressed the issue of increased terrorist activities in Afghanistan, my question is, in practical terms what are the measures both the countries are taking to curb the terrorism?

Dr. Manmohan Singh: As you know, India has been a victim of terrorism for nearly twenty years. Terrorism today is a menace which plagues many countries and in our region both India and Afghanistan have suffered a great deal. But terrorism today has acquired new dimensions and I find in our region even Pakistan is not immune from terrorism. So, there is need for pooling our knowledge, our experience, our intelligence gathering activities in this region to deal effectively with this menace which constitutes a great threat to civilized ways of living all over the world.

Mr. Hamid Karzai: I do not think I have much to add to the Prime Minister's words. Indeed, terrorism is a menace affecting humanity as a whole across the world. We, in Afghanistan are among the worst victims of terrorism. We have been affected by terrorism in a massive way for so many many years. Afghanistan has every reason to work with India and the rest of the international community and our neighbours to get rid of this menace for the sake of Afghanistan, for the sake of this region and for the sake of people all over the world. Indeed, in the recent months parts of our country have been affected by bomb blasts and terrorist activities against our civilians, our teachers, our schools, our clergy, our reconstruction. But fortunately the Afghan people have decided resolutely to go ahead and to continue their path of reconstruction and to complete their journey which we have already completed in certain aspects. The rest of it will be completed too. We would cooperate with any nation that cooperates with us in curbing terrorism. Nobody is immune from it as the Prime Minister mentioned. All of us in this region are affected. And I very much hope that all of us this in this region will join hands to fight this menace.

Question (Mr. Amit Baruah, *The Hindu*): I have two questions – one to Mr. Karzai and one to Dr. Manmohan Singh. To Mr. Karzai, as a follow up on the issue of terrorism. You have had concerns about the role of Pakistan and there have been public statements from both Kabul and Islamabad about this issue. What specifically are your concerns about the role of Pakistan as far as terrorist activity in Afghanistan is concerned?

And my question to the Prime Minister is about transit. We have been talking about transit through Pakistan for Indian goods for a long time. This has been an issue on the agenda with Mr. Karzai and General Musharraf. Are you hopeful of any kind of breakthrough on this issue. Still on the issue of transit, the Chahbahar-Zaranj-Delaram route which India was building in Afghanistan, there have been some incidents there. Did you discuss this issue of security for Indian personnel? And does our relationship with Iran in any way impact on this route?

Mr. Hamid Karzai: Well, Sir, terrorism as I mentioned earlier, is affecting all the countries in the region. It has been affecting Afghanistan for the past many years. It is also now affecting our brothers in Pakistan. Afghanistan and Pakistan in the past four years have seen a massive jump, I should say, strengthening, I should say, in relations between the two countries. At the time of the Taliban there was a 25 million dollars of exports

to Afghanistan from Pakistan. Those exports in just four years time, today's time, from Pakistan to Afghanistan (stand) at 1.2 billion dollars. So, definitely the dividends of peace and stability of Afghanistan are for the whole region and especially for our neighbours. We have benefited from the friendship and brotherhood of Pakistan for so many years while we were refugees in Pakistan. We talk with our brothers in Pakistan regularly on all the questions. Terrorism as it is affecting us and them and India as well as the rest of the region is something that we also talk about regularly and I am sure as we continue this dialogue and effort we will eventually find a more effective way in fighting this menace across the region.

Dr. Manmohan Singh: Well, as regards the transit of Indian goods to Afghanistan via Pakistan is concerned this is an issue which I have raised with President Musharraf. I have also raised this issue with President Karzai to use his good offices with our neighbours in Pakistan and I have not given up hope that something concrete may come about in this matter. As regards the Zaranj-Delaram road, it is under construction. There have been some security concerns but I have the assurance of the Afghan government and President Karzai that effective arrangements will be made and that the terrorist threats will not be allowed to interfere with orderly and timely completion of this very important highway.

Question (Mr. Asif Maruf, Afghanistan): Mr. President, India has rich experience in rural development and we saw the contract signed by the Ministers. What specific projects or programmes will be delivered by India to Afghan side?

Mr. Hamid Karzai: The Prime Minister would like to know as to who you represent, which paper.

Question (Mr. Asif Maruf, BBC Radio): BBC Radio.

Mr. Hamid Karzai: BBC Radio! Oh, very good! I would like to talk to BBC.

As I mentioned, India has been helping us with the reconstruction in almost all aspects. You heard earlier the reconstruction of Zaranj-Delaram road, the reconstruction of the Salma dam, the reconstruction of schools, the Habibia High School in Kabul, the construction of cold storage in Kandahar, and many more projects among which one must also definitely mention the transmission lines from northern parts of the country to Kabul, the building of the Parliament. Today, the Prime Minister was kind enough

to announce an additional 50 million dollars of assistance to Afghanistan. That would take India's assistance to Afghanistan from 600 to 650 million. As you witnessed today, we signed three new agreements in the area of education, rural development in which India has achieved a lot of progress which will become a source of learning and inspiration for the Afghan people. The standards, question of standardization of Afghan products and industry in all other aspects, is another area where India can help us immensely. And I am sure this cooperation will go on.

Question (Mr. Kamil Zaheer, Reuters): Would you be taking up in future talks with President Musharraf the need for transit route through Afghanistan and till then would you be inviting Indian consumer companies which can supply to Afghanistan and beyond to Central Asia to come to Afghanistan?

Mr. Hamid Karzai: It looks like you have read my notes. Well, I should find out about that...(laughter)

Sir, the question of transit between Afghanistan, Pakistan and India and vice versa is of extremely significant importance to the three countries and also by extension to the region. We have discussed this with my brother President Musharraf in Islamabad and also on his visits to Kabul. As His Excellency the Prime Minister mentioned also it has been raised by India with President Musharraf. It is an issue that they understand; Pakistan has already allowed the transit of Afghan goods through Pakistan to India.

We hope very much that a day will come very soon that such transit would be allowed from India through Pakistan to Afghanistan as well, and beyond. And also that Pakistan will have access to Indian roads to send its goods to East Asia. It is an issue that benefits all. It is an issue that concerns us not as Governments or Presidents or Prime Ministers: it is an issue that concerns us as human beings, as individual citizens of this region. It concerns our future, the well being of our children and of the future generations. I believe and so does, I can speak with certainty about, Prime Minister Manmohan Singh. His view on this is that we as people deserve to live better. And one of the ways that we can seek to achieve that better life, all of us - one important way is trade and transit and the freedom of movement of people across countries, across barriers. I would very much hope that you will see that day soon in this region for the benefit of India, for the benefit of Pakistan, for the benefit of Afghanistan and other countries.

The question of companies from India investing in Afghanistan, this is why we have a strong business delegation visiting from Afghanistan with us. They will be talking to Indian businesses. I will be addressing the Indian business forums today in the afternoon. We are here to seek investment from India in Afghanistan. We are here to promote trade between India and Afghanistan. And if India is willing, we would be very happy to have India's companies in Afghanistan to produce their goods and to then have Afghanistan as a hub, as a launching pad for those products in Central Asia. It will help Afghanistan, as it will help Indian companies as well. Thank you.

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281. Joint Statement issued during the visit of Afghan President Hamid Karzai.

New Delhi, April 10, 2006.

1. At the invitation of His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India, His Excellency Hamid Karzai, President of the Islamic Republic of Afghanistan is currently paying a State visit to India (April 9-13, 2006).
2. During the visit, the two leaders held talks on a wide-range of bilateral issues as well as regional and international matters of common interest. They welcomed the progress achieved in bilateral relations since President Hamid Karzai's visit to India, February 23-25, 2005 and Prime Minister Manmohan Singh's visit to Afghanistan, August 28-29, 2005, and agreed to take this relationship further into a new paradigm of friendship and cooperation. They affirmed that the time-tested friendly relationship between the two countries, underpinned by historical and cultural ties, had overcome many challenges and were today based on a shared commitment to the ideals of democracy, peace and security.
3. India expressed full support to the goal of a sovereign, democratic and prosperous Afghanistan, which is also necessary for peace, security and stability in the region. It expressed admiration for the courageous steps taken by the Afghan people and Government under the leadership of President Hamid Karzai towards the adoption of a democratic polity, including the holding of the Parliamentary elections

and convening of the new Parliament, while addressing the challenge of economic development and reconstruction.

4. President Hamid Karzai thanked India for its demonstrated commitment to Afghanistan by providing more than US \$ 600 million for projects in all parts of Afghanistan, in different sectors - including infrastructure, human resource development, and humanitarian assistance. Prime Minister Dr. Manmohan Singh reaffirmed India's continued commitment to Afghanistan's reconstruction and pledged an additional US \$ 50 million under India's Assistance Programme for Afghanistan. To broaden cooperation between the two countries, three cooperation agreements were signed today in the areas of Rural Development, Education and Standardization in the presence of President Karzai and Prime Minister Singh.
5. In the field of institutional and human resource development, both sides expressed encouragement at the ongoing process of annual award of 500 Scholarships for Afghan students for University education in India and 500 short-term ITEC Programme for Afghan nationals, as announced during Prime Minister Dr. Manmohan Singh's visit to Afghanistan in August, 2005. They agreed that this initiative had great potential of contributing significantly towards skills development of the Afghan youth, which could be expected to become the vanguard in tackling the challenge of institution building in Afghanistan.
6. Going beyond the core areas of government-to-government developmental cooperation, both leaders also explored the possibilities of expanding business-to-business cooperation, particularly between the small and medium entrepreneurs of the two countries. President Karzai is also accompanied by a strong business delegation on this visit, which will be interacting with Indian business and industry counterparts from CII, FICCI and ASSOCHAM this afternoon. Prime Minister Dr Manmohan Singh offered to consider extending a US \$ 50 million Line of Credit facility to promote trade and investment between the two countries.
7. As provided for under Article 11 of the Preferential Trade Agreement signed between the two countries on March 6, 2003, the two sides agreed to constitute a Joint Committee at Ministerial level to review the progress in the implementation of the Agreement, thereby promoting mutually beneficial bilateral trade.

8. Tomorrow, President Karzai will be inaugurating a Festival of Afghanistan in India which would be displaying traditional Afghan products and having components of dance, music and cuisine, as a follow-up to the recently concluded MoU on Tourism.
9. Tomorrow, President Karzai will also go to Hyderabad where he will visit the Hi-Tech City, Tata Consultancy Services Ltd., the National Remote Sensing Agency and a Rural Development Pilot Project.
10. At the regional level, the two leaders reiterated their vision of Afghanistan regaining its strategic position at the cross roads of Central Asia and the Indian subcontinent. The need for greater regional cooperation by encouraging trade and people-to-people contact among the countries of the region was emphasized. President Karzai thanked Prime Minister Dr. Singh for India's strong support for Afghanistan's membership of SAARC and pledged to work together with the member countries in all fields to effect greater harmonization of political, economic, social and security policies.
11. President Karzai welcomed that India would host the Second Regional Economic Cooperation Conference for Afghanistan in New Delhi, November 18-19, 2006, with participation of all the regional countries, G-8 member States and international organizations. This Conference will also have a business-to-business component to promote private sector linkages.
12. Confronting the shared challenges of fundamentalism and terrorism, the two leaders condemned global terrorism as a threat to democracy and declared that there can be no compromise with its perpetrators. India expressed its support to the efforts made by Afghanistan in recent months in tackling the increased terrorist activities in certain provinces in the country.
13. The two leaders reaffirmed that India and Afghanistan have a common interest in reinvigorating the past ties and developing a new, strategic partnership for the 21st Century. The two leaders emphasized the importance of regular high-level exchanges between the two countries for taking this partnership to greater heights.

282. Speech by President A. P. J. Abdul Kalam at a banquet in honour of Afghan President Hamid Karzai.

New Delhi, April 10, 2006.

Your Excellency, Mr. Hamid Karzai, President of the Islamic Republic of Afghanistan, Excellencies, Ladies and Gentlemen.

It gives me great pleasure to welcome you Mr. President, and the distinguished members of your delegation to India, on the occasion of your State visit. We welcome you as a long-standing friend, given your long years of association with our country. More so, we welcome you and your delegation as representatives of a land with which we have had interaction for centuries. We both share a rich cultural and civilizational heritage which has been enriched by this interaction.

Mr. President, while sharing our civilizational heritage, we have also shared the pain and suffering of the Afghan people caused by years of conflict and destruction. We too felt the tragic consequences when the land was used as a safe haven for training terrorists. However, during the last four years, we have applauded the achievements of the Afghan people in re-building their nation.

In 2001, we took a pledge in Bonn to work with you to re-build Afghanistan so that it could emerge as a vibrant democratic country living in peace and prosperity. Since then, our partnership has become multi-dimensional. This partnership encompasses the fields of education, health, telecommunications, transport, civil aviation, agriculture and irrigation, industry, power, counter-narcotics and human resource development. I have no doubt that this cooperation will grow in the years to come.

We have admired the progress which Afghanistan has made over the last four years. A new Constitution has been adopted. The Afghan people have participated in the Presidential elections with enthusiasm. I understand that the 2005 elections have resulted in an active and vigorous Parliament in which 27 per cent of its members are women. All these developments demonstrate that the Afghan people welcome democracy, desire to achieve prosperity and seek to become a source of stability in the region.

We are concerned to see that in recent months, incidents of violence have increased in some of the provinces. We are also concerned at the

nature of these attacks. We know that the fight against global terrorism is not an easy one but we are also convinced that given the political will and commitment, this challenge will also be successfully met by the Afghan people.

Afghanistan's admission into SAARC is a welcome development. This will give us yet another opportunity to work together to promote regional economic cooperation. When India hosts the next Regional Economic Cooperation Conference on Afghanistan in November this year, I have no doubt that it will give a further boost to promoting business-to-business relations in addition to strengthening relations between our two Governments.

Today, India is going through a process of transformation. This is an experiment without parallel because a change of such magnitude has never been attempted before in a democratic framework. The transformation is taking place in an open society which is ready to take decisions through participative processes under the scrutiny of an alert people, a vibrant media, and an independent judiciary.

For a plural society, it is necessary to adopt a developmental model that combines human progress with human freedom. The 21st Century is witnessing a knowledge revolution. Information connectivity and outreach have become instruments of modernization and change. India and Afghanistan both have a large percentage of their population which is young. The best way to give freedom and progress to our younger generation is through the gift of education and the field of Information and Communication Technology offers an ocean of opportunity for the young of our countries.

For any country to progress, it is very important that we empower the youth and the women-folk of our countries. Youth represents the future of a country and empowering them today would enable a country to face the challenges of tomorrow. Similarly, women's education and their emancipation is the key-stone to a brighter future. Few things are as important as the empowerment of our youth and women-folk for a country to progress.

Tomorrow, I understand that you will visit Hyderabad, a city which is home to a large number of educational institutions, from old centers of learning like the Osmania University to the modern centers like the International School of Business; from scientific and technical establishments like the National Remote Sensing Agency to the Hi-tech

City for undertaking leading edge R&D. Hyderabad epitomizes today's India which is proud of its history and is confident of its future. History is not a burden; it has become an energizing source of motivation. As a student in the hills of Shimla, I am sure you can appreciate that there is nothing more satisfying than to harness modern technology for the upliftment of the needy of our country. You will get a feel of this at Hyderabad.

Mr. President, on behalf of the Government and the people of India, I re-affirm our commitment in working together to support you in all your efforts in making Afghanistan a stable and prosperous country and in helping the people of Afghanistan achieving the dreams that you cherish for them.

Distinguished guests, may I now request you to join me in raising a toast to the:

- health and happiness of His Excellency President Karzai;
- progress and prosperity of the friendly people of Afghanistan; and
- abiding friendship and cooperation between India and Afghanistan.

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283. Statement by Foreign Secretary Shyam Saran regarding the kidnapping¹ of K. Suryanarayan in Afghanistan.

New Delhi, April 29, 2006.

We have received a report from our Embassy in Kabul that some international news agencies in the Afghan capital have been contacted telephonically by an individual claiming to be a spokesman for the Taliban. The message he has given is that Indian Government should announce by

1. on April 29 the Spokesperson of the Ministry of External Affairs gave details of the incident and said: "On 28 April 2006, a 41-year old Indian national, Shri K. Suryanarayan, working for a Bahrain-based engineering and IT company, Al Moayed, was kidnapped, along with his Afghan driver, while travelling towards Qalat, capital of Zabul province. The kidnapping which took place around 1800 hrs has been claimed by the Taliban in a call made to local media. Al Moayed is currently undertaking a project for Roshan Telecom, an Afghan mobile telephone service provider. According to company sources Shri Suryanarayan had gone to the site of the company's work about 60 kms from Ghazni around 1330 hrs. The Indian Embassy in Kabul immediately contacted Afghan security authorities, the international security force deployed in the area and the Afghan mobile company, Roshan Telecom, to secure the release of the Indian national and to ensure the safety of the other Indians working in the company. Earlier this afternoon, the Cabinet Secretary took a meeting of senior officials to review the situation. The Indian Embassy in Kabul has been instructed to keep in close and constant touch with the local authorities

6 PM tomorrow that all Indians in Afghanistan must leave the country failing which the hostage would be killed.

We are in touch with the Afghan authorities to ascertain whether this message is indeed from those who are responsible for the kidnapping of Shri K. Suryanarayan.

Despite this message, we have intensified our efforts to seek the early and safe release of Suryanarayan so that he can be re-united with his family. Our Ambassador is in constant touch with the Afghan National Security Adviser and other senior officials as also the employers of Suryanarayan and with the telecom company whose project was being executed. We have also contacted the international security forces deployed in the Zabul area, where the kidnapping took place. We would like to assure Suryanarayan's family that no stone is being left unturned to obtain his release. We share their pain and grief and their anxiety and will continue with our efforts using all the resources at hand. As you are aware, Cabinet Secretary has reviewed the situation in a meeting held this afternoon and we are constantly monitoring the situation. Prime Minister is being kept briefed about the evolving situation.

Let me reiterate here that citizens of India who are working on various projects in Afghanistan are making a contribution to the much needed economic recovery and reconstruction of a friendly country. Our presence in that country is to promote the welfare of the people of Afghanistan and the vast majority of the Afghan people have welcomed Indians working in their midst as their friends and well-wishers. We wish to assure the Government and people of Afghanistan that India stands by them and will continue to fulfill its solemn commitments to Afghanistan's development².

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and the concerned companies. It has also been instructed to reiterate security instructions to all Indians working in Afghanistan and to request the companies employing them to reinforce their security. The family of Shri Suryanarayan has been informed of the incident and reassured of the efforts being made by the Government to secure his release. So far there has been no communication or contact by the Taliban other than the claim that they have the Indian national in their custody. The Government of India condemns the incident and the attempts by the Taliban and other hostile elements to intimidate Indian and other international and Afghan workers engaged in the reconstruction of Afghanistan and improving the lives of its people."

2. It was announced the same day that the Government of India has dispatched a team led Shri K.B.S. Katoch, Joint Secretary of the Ministry of External Affairs to assist our Embassy in Kabul in dealing with the hostage situation. The team included officials with experience in dealing with similar situations in the past. The team was authorized to establish contact with all concerned parties through appropriate channels in order to secure the safe and early release of Shri Suryanarayan.

284. Media Briefing by Foreign Secretary on the kidnapping of Indian engineer Shri K. Suryanarayan in Afghanistan.

New Delhi, April 30, 2006.

FOREIGN SECRETARY: Based on the statement which has been made by the Taliban and also on the report that we have now received from the site where the dead body of a person was found between Qalat and Ghazni this morning, it would appear that Shri K. Suryanarayan, an Indian engineer working for a Bahraini company, Al Moayed, on a telecom project in Afghanistan, has unfortunately been killed.

The Government of India is appalled by this dastardly and inhuman act of terror on the part of the Taliban and its sponsors, which has resulted in the tragic and untimely death of an innocent Indian citizen, who, like many of our other compatriots, had been making a contribution to Afghanistan's reconstruction with dedication and diligence.

The Government of India extends its heartfelt condolences and sympathies to the bereaved family and shares its grief and deep sense of loss. We stand by the members of the family in their hour of profound sorrow and pledge our support to them to ease their pain and suffering. We assure them that every effort is being made to apprehend the perpetrators of this criminal act and bring them to justice swiftly.

As soon as the abduction of Suryanarayan took place, the Government of India left no stone unturned to seek his safe release. A crisis management team was convened by the Cabinet Secretary to monitor developments on a continuing basis and work out urgent measures to deal with the crisis. The Prime Minister personally followed developments in this regard. A team led by a senior MEA official, and including experts in handling hostage situations, was promptly dispatched to Afghanistan, to assist our Embassy in Kabul to deal with the situation. We had been in constant communication with the Afghan authorities, with the international security forces deployed in the Zabul area and with our network of contacts in the country, to make every effort possible to bring this unfortunate incident to a satisfactory conclusion. However, Suryanarayan was brutally murdered even before the MEA team landed in Kabul this morning. It is obvious that the kidnappers were not interested in negotiating for his release but had premeditated his killing. The outrageous demand that all Indians should leave Afghanistan within 24 hours testifies to the real motivation behind this act of terror.

The Government and people of India will never bow to such acts of terrorism and will continue their fraternal assistance to the people of Afghanistan in their endeavours to bring peace, stability and economic recovery to their country ravaged by years of conflict. Several measures have been taken in the past few months to increase the level of security for Indian nationals working on Indian Government-aided projects in Afghanistan. Private companies employing Indian personnel had also been advised to put in place comprehensive security measures. These measures would be further reviewed and strengthened and the special team now in Kabul has been mandated to make any further recommendations to Government after consulting Afghan authorities, our Embassy and the companies employing Indian citizens.

The Government of India regards Taliban a terrorist organization and calls upon the international community to recognize its true colours and join hands together to defeat this scourge to humanity.

QUESTION (NIDHI RAZDAN, NDTV): Sir, you talked about the Taliban as sponsors of terrorism. For the last few months the authorities in Kabul have been pointing fingers towards Islamabad and blaming them for the spiraling violence by the Taliban. Are you making an indirect reference to Pakistan and saying that Pakistan needs to do more to crack on the Taliban insurgents especially along the Pak-Afghan border?

FOREIGN SECRETARY: As you are aware there have been reports that Taliban elements have been operating in the areas which straddle the Pakistan-Afghanistan border and have been carrying out acts of terrorism. We have also witnessed their involvement in acts of terrorism within Pakistan itself. This only underscores the need to recognize the Taliban and other similar outfits who profess an ideology of extremism, an ideology of violence, as terrorist organizations. And these must be confronted and defeated by the international community acting together; I think this includes India and Pakistan as well.

QUESTION (PRANAY SHARMA): Mr. Saran, do we have any kind of leverage with the Taliban. And, did we ask Pakistan...

FOREIGN SECRETARY: I have just mentioned to you the need for both India and Pakistan as well as the international community to work together. Today there is really no tolerance for terrorism throughout the world. There is zero tolerance for terrorism. I think this act only underscores the need for all of us to work together to defeat this scourge.

QUESTION (PARUL MALHOTRA, CNN-IBN): Sir, what arrangements are being made to bring the body back?

FOREIGN SECRETARY: Well, we will be making whatever arrangements are required and as early as possible to bring the body back to India. These are details which are already being worked out. As soon as we have any confirmation about the arrangements to bring the body back to India we will, of course, keep you informed. Thank you.

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285. Statement by Minister of State E. Ahamed at the Conference on “Drug Routes from Afghanistan”.

Moscow, June 28, 2006.

Mr. Chairman, Excellencies, Distinguished delegates, Ladies and Gentlemen,

At the outset, my delegation would like to congratulate the Government of the Russian Federation for taking this important initiative to address the complex issue of growth in narcotics trade from Afghanistan, and its spread through different routes from Central Asia and the Balkans to rest of the world. The high level of participation today confirms the importance international community attaches to combating this global menace.

I would like to compliment the Government of President Hamid Karzai for making sincere efforts to combat the drug menace. Its policy of weaning away farmers from poppy cultivation and taking stringent action against those who are engaged in narco trade is a sound combination of understanding and firmness in dealing with the problem. President Karzai has even started a new Ministry of Counter Narcotics to spearhead the fight. Tackling this menace and carrying it forward along with the complex and difficult task of nation building, is extremely challenging.

As has been brought out in the working group discussions, this issue is also inextricably linked to the security and stability of Afghanistan and of the region, which in turn is crucial for the economic reconstruction of Afghanistan. There will also be long-term social and economic effects, if the Afghan economy is not shielded from the influence of drug money.

The destructive nexus between narcotics cultivation and terrorism confronts the international community once again. One of the most destructive legacies of war-lordism in Afghanistan was the spread of poppy cultivation. The deadly crop is available again to finance terrorism in Afghanistan with ominous consequences for the country and the whole world.

In view of the magnitude and complexity of this problem, no country can fight it on its own. The problem has to be tackled at the supply end, as well as on the demand side. Further, drug routes traverse different countries from sources to destinations. Accordingly, bilateral, regional and multilateral cooperation has to be recognized as a key element of any strategy in combating the menace of drug trafficking effectively.

Mr. Chairman, India's commitment to fight the menace of drugs remains steadfast. India is a party to the 1961 Single Convention, 1971 Convention on Psychotropic Substances and 1988 Convention on Illicit Traffic in Narcotics Drugs and Psychotropic Substances. India is also fully committed to implement its commitments arising out of the Political Declaration and the resolutions adopted at the June 1998 Special Session of United Nations General Assembly. The Narcotics Drugs and Psychotropic Substances Act, 1985 constitutes the statutory framework for drug law enforcement in India. The Act also incorporates provisions for the control of precursor chemicals. Recognizing the need for financially throttling the terrorist organizations and organized crime groups, India has also enacted a comprehensive Anti-Money Laundering Law.

Combating opium cultivation is one of the projects India is working on in Afghanistan as part of its assistance programme. We have prepared a pilot project focusing on Community Development and Integrated Rural Development, in a select area, that will help people move away from production of narcotics. The Governments of both Afghanistan and India are keen to implement this project and are working early on its finalisation and implementation.

Afghanistan requires all possible international assistance in its fight against illicit narcotics production. The world has previously witnessed how drug money, through its linkages with terrorist activities could impact on the peace and stability of the region. Afghanistan cannot risk another round of instability. The international community must remain involved on a sustained basis in assisting the Afghan government in curtailing and eliminating this menace.

Ladies and Gentlemen, India is fully committed to working with the people and the Government of Afghanistan to rebuild their country. Our partnership today embraces a multi-dimensional cooperation programme, including education, health, telecommunication, transport, civil aviation, agriculture and irrigation, industry, power generation and transmission, human resource development and many other areas. Our total pledge for Afghanistan's reconstruction is more than US \$ 650 million and I am happy to announce that we have been progressing satisfactorily with all the projects undertaken by us. We believe that rapid economic development is the answer to the problems of not only narcotics but also terrorism. In addition the international community should synergise demand reduction and supply reduction in a more aggressive manner. I would like to reiterate our commitment to continue to work with the Government and the people of Afghanistan, the regional countries along the trafficking routes and other members of the international community in achieving development and reconstruction in Afghanistan. Thank you.

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286. Briefing Points by Official Spokesperson on the visit of Afghan Foreign Minister Rangin Dadfar Spanta.

New Delhi, June 30, 2006.

- Afghanistan Foreign Minister arrived India June 29. He has called on Prime Minister and held discussions with Minister of State for External Affairs Mr. Anand Sharma as well as Foreign Secretary. Mr. Anand Sharma hosted a lunch in his honour. Dr. Spanta is scheduled to speak in ICWA on July 1.
- During the extensive discussions with the Indian leadership, entire gamut of India-Afghanistan bilateral relations was discussed as also regional and international issues of mutual concern. Dr. Spanta conveyed his personal condolences on the recent attacks on Indians in Afghanistan. He also took the opportunity to personally thank the Prime Minister for the supportive role played by India for Afghanistan's entry into SAARC.
- His Indian interlocutors reaffirmed India's commitment to the goal of a democratic and stable Afghanistan and reiterated India's

determination to assist in all possible ways for Afghanistan's economic reconstruction.

- Dr. Spanta also briefed Indian leadership on his recent visits with President Karzai to the SCO and CICA Summits as well as on bilateral visit to Beijing and Dr. Condoleezza Rice's visit to Kabul. He also conveyed that President Karzai look forward to visiting India in November for the Regional Economic Cooperation Conference on Afghanistan.
- It was agreed that there would be regular foreign office consultations between India and Afghanistan. In this context, Foreign Secretary will visit Kabul in the near future for which the dates will be worked out as per mutual convenience.

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287. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and Afghan President Hamid Karzai.

New Delhi, November 17, 2006.

Prime Minister (Dr. Manmohan Singh): Your Excellency, President Karzai, ladies and gentlemen of the press,

It is always a great pleasure to meet with President Hamid Karzai. Afghanistan has undergone a remarkable transformation over the last five years. From a country that was wrecked by violence and civil strife for nearly three decades, it has transformed itself into a country where democratic institutions are taking strong roots.

I told President Karzai that we in India marvel at what Afghanistan has become today. The newly constituted Walasi Jirga has emerged as a vibrant and assertive body. This would not have been possible without President Karzai's strong and wise leadership these past few years.

The President and I had useful discussions on all aspects of our bilateral relations. We reviewed the progress achieved in the various bilateral assistance projects that we are associated with in Afghanistan. I have reiterated India's commitment as a neighbour and friend to continue assisting Afghanistan despite the challenges posed by the security situation.

We also discussed in detail the security situation in the region. A strong India-Afghanistan relationship is not only beneficial to both countries, but it is vital for peace and stability in the entire region.

I have expressed the concern we in India feel about the increased activities of terrorist groups in Afghanistan.

The President and I also had an opportunity to review our cooperation in the regional setting. India looks forward to Afghanistan joining SAARC. We feel greatly honoured that Afghanistan's first summit as a member of SAARC will be hosted by India.

We also discussed tomorrow's Regional Economic Cooperation Conference. This is a very important initiative not just for Afghanistan but for the entire region. Regional economic cooperation is perhaps the best way for developing countries like ours and Afghanistan to cope with the challenges posed by the phenomenon of globalization. We are determined to pursue that this initiative succeeds.

Mr. President, may I invite you to say a few words to the press. Thank you.

Afghan President (Mr. Hamid Karzai): Thank you very much Mr. Prime Minister.

It is a tremendous pleasure and honour for me and my delegation to be visiting India again, and for me for having had the opportunity to visit Shimla, to visit my university and interact with students and walk around. It brought back to me the energy and memories of youthful times.

We are this time in India to attend the Second Regional Conference on Afghanistan hosted kindly by India, and also to receive the Indira Gandhi Award which the Government of India was very kind to award to what we have achieved in Afghanistan.

Mr. Prime Minister, India and Afghanistan, as you know, share a long history. Of particular importance in this history has been the past five years in which India stood among a few other nations at the forefront of assisting Afghanistan, from help to our parliamentary democratic process to the reconstruction of Afghanistan, to the education of Afghan youth, and to help Afghanistan in whatever other areas that Afghanistan might have needed.

As the Prime Minister mentioned today, we exchanged views on all issues relevant to the two countries from bilateral relations to regional

security, to the question of increased violence and terrorism in Afghanistan, and to the ways of trying to reduce terrorism in Afghanistan and the region.

We also discussed the Regional Conference in Delhi which the Prime Minister is kind enough to inaugurate tomorrow together with me, and future cooperations, and how best to work on the project that we have on hand.

We also exchanged views on how to have better investment opportunities in Afghanistan for Indian businesses and on how to facilitate that investment in Afghanistan and what the Afghan Government and Afghan business should do to make that investment easier in Afghanistan.

Trade was discussed and relations between the two countries generally were discussed.

I expressed once again the gratitude of Afghan people to the Government and people of India for the help that they have given to us and expressed a desire and hope of the Afghan people to grow this relationship in all areas where Afghanistan and India are already engaged in relation.

Afghanistan seeks a more prosperous India, a stronger India, and a region that lives in peace and prosperity for that is what Afghanistan needs for its own prosperity and peace to have.

I am grateful, Mr. Prime Minister, once again for having invited us to Delhi and for hosting the Conference tomorrow and for giving me that very important award of Indira Gandhi. Thank you very much, Mr. Prime Minister.

Question (TOLO TV): I have a question for Mr. Prime Minister. With due attention to the different political agendas of the region's countries, how possible and realistic is an economic integration in the region from your point of view? As you are an economist, how do you analyse this economic integration?

Prime Minister: Economic cooperation does not function in a political vacuum. Therefore, a broad political understanding among the countries of the region would certainly be very helpful for promoting, propelling forward the movement for regional economic cooperation.

Question (The Hindu): My question is to President Karzai. Of late there have been concerns expressed by your Government about the role of Pakistan in fomenting terrorism in Afghanistan. I also understand that you have held discussions with the Pakistan leadership and you also have a joint mechanism with the United States. If you were to apportion blame for what has been happening, do you blame the Government of Pakistan

at all for the kind of situation that now exists in your country and in the border areas?

Afghan President: Sir, we are not blaming the Government of Pakistan: we are seeking help from the Government of Pakistan. Afghanistan is affected by terrorism. There is violence committed against our people; there is violence committed against our school children, against our clergy, against the reconstruction of Afghanistan; there is violence committed against those who have come to Afghanistan to help Afghanistan develop and become secure; and there is definitely that violence related to cross-border activity. Afghanistan has been seeking from our brothers in Pakistan more cooperation in handling that violence against Afghanistan. Security in Afghanistan is indeed security for the whole region. We have seen in the past many years that where Afghanistan suffered, not only the region suffered with us but the whole world suffered. As you have referred to, we had a very frank discussion with President Bush and President Musharraf at the invitation of President Bush. That really had some good results. We are hoping to move further on that on the results of that meeting. So, to put it in a nutshell, Sir, we are not blaming Pakistan, we are seeking cooperation from Pakistan in better handling of violence in Afghanistan.

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288. Opening Remarks by External Affairs Minister at the 2nd Regional Economic Cooperation Conference on Afghanistan.

New Delhi, November 18, 2006.

1. Your Excellency Mr. Hamid Karzai, the President of Islamic Republic of Afghanistan; Honorable Prime Minister of India Dr Manmohan Singh; Your Excellency Dr Rangin Dadfar Spanta, the Foreign Minister of the Islamic Republic of Afghanistan; Honorable Ministers, Excellencies, Heads and members of delegations of the participating countries and of international organisations; participants of the Regional Business Conference; members of diplomatic community; media representatives, ladies and gentlemen.

We are indeed happy and honoured with your presence here this

morning. You are welcome to India and I wish you a very pleasant stay in our country. It is my privilege to welcome you all to the Second Regional Economic Cooperation Conference on Afghanistan.

2. I thank you for your participation, which is indicative of the high priority attached by your governments to activities relating to interactive regional economic cooperation. In particular, I would like to express my sincere appreciation to His Excellency Mr. Hamid Karzai, President of the Islamic Republic of Afghanistan, who is leading a strong Afghan delegation comprising of several key Ministers for this Conference, reflecting Afghanistan's firm commitment to be more fully integrated with the region in all respects.
3. Regional cooperation is being increasingly seen as an important instrument to further economic development, impacting also on physical security, both in Afghanistan and the region as a whole. Regional cooperation has also been identified as one of the key principles of the Afghanistan Compact adopted at the London Conference on Afghanistan, January, 2006. Among the benchmarks it is stated that by end-2010, Afghanistan and its neighbours will achieve lower transit time through Afghanistan by means of cooperative border management and other trade and transit agreements; increase the amount of power available through power purchase agreements; and, reach agreements that will enable Afghanistan to benefit from greater mobility of goods and services. Fostering greater regional connectivity will, indeed, help countries improve productivity in conformity with natural comparative advantage, benefit from complementarities, and thereby increase output, trade and consumer welfare.
4. The present Conference is a follow-up to, and builds on the first Regional Economic Co-operation Conference held in Kabul on December 4-5, 2005. It also draws upon the important work of other regional gatherings in recent years, including inter alia, the Good Neighbourly Relations Declaration (2002), Berlin Agreement (2003), Dubai Declaration (2003), Bishkek Conference (2004), London Conference (2006), ECO Summit (2006), Shanghai Cooperation Organisation Summit (2006) and SAARC Ministerial Meeting (2006).
5. The themes of the conference, identified in consultation with all regional partners, are trade facilitation and transport; investment trade

and business potential; electricity trade and energy development, including renewable sources of energy and prospects for TAPI pipeline, as well as agriculture and agro-development. Capacity building will be taken up as a cross-cutting issue in all the themes. Alignment of policies in these areas is expected to lay a strong foundation for interactive economic growth and development of the region, with positive spin-offs for all.

6. In recognition of the importance of regional business linkages, Regional Business Conference is also being held concurrently, with the participation of top business leaders from the region. The business component is being led by the Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry and Associated Chambers of Commerce, in partnership with the Afghanistan Investment Support Agency. Discussions will focus on measures to enhance trade, business and investment opportunities in Afghanistan and in the region. A number of practical, commercial projects of regional relevance, which can act as a vehicle for private sector investment, will also be discussed at the business Conference.
7. This Conference is expected to make an assessment of the progress of the outcomes of the Kabul Conference; take concrete decisions on the creation of the enabling environment for further strengthening cooperation in the themes of the Conference, with focus on projects that the public and private sectors in Afghanistan and the countries of the region can participate in; spur the business sector for enhanced trade and investment in the region; and promote interactive economic integration, as a vehicle for easing of regional political and security tensions.
8. I am confident that discussions of this Conference will be productive and lead to concrete outcomes, that can impact strongly on the growth prospects of the region in an incremental manner.

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289. Address by Prime Minister Dr. Manmohan Singh at 2nd Regional Economic Cooperation¹ Conference on Afghanistan.

New Delhi, November 18, 2006.

It gives me great pleasure to welcome you all on the occasion of the Second Regional Economic Co-operation Conference on Afghanistan being co-hosted jointly by India and Afghanistan.

I would especially like to welcome H.E. President Hamid Karzai and the members of the Afghan delegation. We are, as always, happy to see you, Excellency, in India, and my colleagues and I look forward to working closely with you and your team to make this a successful Conference.

Afghanistan's progress from years of war and civil strife towards a functioning democracy is truly remarkable. It is in no small measure, Mr. President, the result of your wise and enlightened leadership.

The Regional Economic Co-operation Conference is based on a vision that countries of our region must also contribute to the assistance programs in Afghanistan.

At the Kabul Conference, the regional countries had come together to adopt the Kabul Declaration, noting that a strategy of development for Afghanistan which is based on cooperation with regional countries created significant possibilities for reducing poverty and for achieving the London Compact benchmarks and Millennium Development Goals.

1. On November 6, the Official Spokesperson at the media briefing gave a background to the conference and said: "The background is that RECC was envisaged to bring together all the important players in the post-war reconstruction of Afghanistan on to a single platform. The major players have been the G8 countries, neighbouring countries, and the other important donors to Afghanistan Reconstruction Programme, as well as major international organisations.

The first such conference was held in Kabul on December 4th and 5th last year. It was hosted then by the UK and Afghanistan. Eleven neighbouring countries and regional countries had participated in that conference besides representatives of G8 countries and international organisations. At the end of the Kabul Conference a declaration was adopted to increase the stake of the regional countries in the prosperity of Afghanistan. That declaration incorporated ten areas that were identified as potential areas of cooperation including the representatives of three technical working groups. The Conference which is now taking place, therefore, is a follow-up of that and a follow-up to all the thoughts that came out in that declaration.

The present Conference must be an occasion for careful and honest stock-taking, assessing how far we have come since then and what further we can do. But in the larger sense, I do hope that as a result of the outcomes of this Conference we will be able to reaffirm the international community's stake, responsibility and renewed commitment to the reconstruction and development of Afghanistan. And I wish to assure you of India's commitment to play a leading role in this co-operative effort.

We believe that peace and prosperity in Afghanistan are of vital interest not only to the people of Afghanistan but for the wider region and the world as a whole.

India shares your vision of Afghanistan as a country at the crossroads of Central Asia, West Asia, China and the Indian sub-continent. The admission of Afghanistan to SAARC was, therefore, a natural development. We look upon Afghanistan not only as a valued member of the South Asian fraternity but also as our gateway to the west. This is yet another link of Afghanistan to what has traditionally been its largest market – India. As SAARC moves forward to developing a free trade area and other shared economic activities, Afghanistan will stand to gain considerably.

Notwithstanding the remarkable transformation that has taken place in Afghanistan over the last five-years, Afghanistan still faces many challenges. We are concerned at the increasing terrorist violence in certain parts of Southern and South Eastern Afghanistan, that has not only undermined the security of Afghanistan but hindered the ongoing development effort as well. Dealing with this challenge is a collective responsibility.

The themes identified for the present Conference covering energy, transport, business and agriculture are wide-ranging. The Conference must attempt to develop an integrated blueprint for reconstruction that builds on national capacities in these critical areas while developing beneficial linkages with the region at large.

A land-locked country with difficult terrain presents its own set of challenges. The development therefore of the transport sector and its regional linkages is vital for the opening up of the economy of Afghanistan. Simultaneously, measures will need to be taken to facilitate trade and cross-border movement of goods and services, to minimize transaction costs and to harmonise regulations and practices. These measures will not only increase legitimate trade, which today is over-shadowed by cross-border smuggling, but also enhance sense of security.

Agriculture, which is the mainstay of more than 80% of the people of Afghanistan, must be one of the key pillars in any reconstruction effort. Rapid development in agriculture through extension activities, technological inputs and efficient water management will undoubtedly revitalise the economy. It will also build up alternate livelihood opportunities. India has been active in providing technical and other assistance in this area and also assisting local communities with small development projects.

I sincerely hope that businessmen who have come here for the Regional Business Conference will recognise that Afghanistan's business climate has vastly improved. I am confident that the Conference will highlight the country's improved infrastructure, strategic location and resources and the pro-business environment that prevails in today's Afghanistan. We keenly look forward to the outcome and recommendations of their deliberations tomorrow.

Nothing is more important in the reconstruction of Afghanistan, as President Karzai always reminds us, as human resources development. Institutional strengthening, capacity building and training must be stepped up in government, in other organs of democracy such as the legislature and the judiciary and in the economy. India has been contributing in this regard not only through traditional programmes of ITEC but also through innovative public private partnerships such as the "Skill Building Initiative" in cooperation with the Confederation of Indian Industry.

Our partnership with Afghanistan today embraces a multi-dimensional cooperation programme in keeping with the priorities fixed by the Afghan government themselves. We stand ready to respond to the needs of the Afghan people in a manner that reflects the fund of friendship and goodwill that exists and binds our two peoples.

Today, India is undergoing a process of transformation of its own and we hope to be able in the years ahead to sustain high growth rates of 8 to 10% per annum. Our vision of prosperity, however, is not limited to India but encompasses our region as a whole. I am convinced that sustained economic growth in India will have a positive impact on our neighbourhood and vice versa. The natural economic linkages, which once governed this region in the pre-colonial era, will be re-discovered and the process of economic development will transform the nature of political discourse in this region.

We have a vision of bringing freedom, dignity and prosperity to the

people of Afghanistan through a cooperative venture which unites together all countries in the region in a collaborative effort.

At the end, I would like to emphasize that whilst the focus of this conference is Afghanistan, the outcome of this Conference impacts us all throughout the region. India as a close and friendly neighbour of Afghanistan has a particular interest in the success of this process. I am hopeful that the decisions of the Conference will be directed at concrete issues that will provide templates for regional cooperation and help identify opportunities for the mutual benefit of all countries of our region.

We have shared a common past. In an age of globalisation, as borders begin to lose their relevance, we should pledge to work towards a shared future of economic cooperation and regional prosperity and a better life for the people of Afghanistan.

With these words, I wish the Conference all success.

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290. Joint Press Interaction by External Affairs Minister Pranab Mukherjee and Afghan Foreign Minister Rangin Dadfar Spanta.

New Delhi, November 19, 2006.

Offical Spokesperson (Shri Navtej Sarna): Good afternoon ladies and gentlemen. I welcome you to this press conference to be jointly addressed by the External Affairs Minister of India Shri Pranab Mukherjee, and the Foreign Minister of Afghanistan Mr. Rangin Dadfar Spanta. After the opening statements by the two Foreign Ministers, we will take a few questions. I first request the External Affairs Minister to address the conference.

External Affairs Minister (Shri Pranab Mukherjee): Good afternoon, ladies and gentlemen: We have just concluded the proceedings of the Second Regional Economic Cooperation Conference on Afghanistan co-hosted by Afghanistan and India. This conference was a follow-up to the First Conference on Regional Economic Cooperation held in Kabul last December.

At the Kabul conference the regional countries had come together

to adopt the Kabul Declaration which called for a strategy for the development of Afghanistan based on cooperation with regional countries. It was intended to create significant possibilities for reducing poverty and for achieving the London Compact benchmarks and the Millennium Development Goals. The present conference was intended to make the countries in the neighbourhood of Afghanistan, along with G8 countries and international organizations, aware of the stake they have in its prosperity and to provide them the opportunity to become stakeholders in this process.

At this conference, the countries of this region, the G8 countries, and various international organizations participated at a very senior level. His Excellency President Hamid Karzai and the Hon'ble Prime Minister of India Dr. Manmohan Singh jointly inaugurated the Conference. There was very active and constructive participation from all of the participants during this conference. I am pleased to inform you that the Conference adopted the decisions and recommendations of the ministerial meeting for Technical Working Group and the Regional Business Conference.

The theme of the Technical Working Groups included electricity trade and energy development, trade, transit and transport facilitation, agriculture and agro-processing as well as investment and business potential. All the Technical Working Groups evoked active interaction and concrete decisions were taken. This will benefit not only Afghanistan but also provide greater opportunity for interactive regional economic growth and development.

The ministerial discussions made recommendations for:

- (1) A study on the setting up of a centre for regional economic cooperation in Kabul for in-depth and rigorous pursuit of constructive, practical and specific initiatives for regional development.
- (2) Greater need for public private partnership for regional development, specially agriculture and investment fund.
- (3) Effective coordination of regional initiatives and projects which are being implemented by existing facilities of regional organizations like Economic Cooperation Organisation and SAARC.
- (4) Strengthening of Afghanistan's capacity development.
- (5) Enhancing connectivity through aviation links, trade and transit, energy and gas linkages, and financial services.

Ladies and Gentlemen, India remains fully committed to working with the people and the Government of Afghanistan towards its reconstruction and development. Our partnership today embraces a multidimensional cooperation programme in keeping with the priority of the Afghan Government covering education, health, telecommunications, transport, civil aviation, agriculture and irrigation, industry, power generation and transmission, human resource development, and many other areas.

We are committed to pursuing these programmes on a quick delivery, cost-effective basis with focus on training, maintenance and local ownership in conformity with the Afghan Government's Aid Effectiveness principles. In doing all these, we have a mission of bringing freedom, dignity and prosperity to the people of Afghanistan through cooperative ventures which unites all countries in the region in a collaborative effort.

At the end, ladies and gentlemen, I would like to emphasise that while the focus of this conference is Afghanistan, the outcome of this conference is expected to have an enhanced developmental impact throughout the region. India is a close and friendly neighbour of Afghanistan and has a particular interest in the success of this conference. I am hopeful that the decisions of this conference will be directed at concrete issues that will provide templates for regional cooperation and would identify opportunities for the mutual benefit of all the countries of the region. Thank you. Now, may I request my colleague Dr. Spanta.

Afghan Foreign Minister (Mr. Rangin Dadfar Spanta): Thank you very much Mr. Minister of Foreign Affairs.

The main content of the Declaration of Delhi was explained by my colleague and friend, Minister of Foreign Affairs of India. But I would like to underline, and that is from our point of view very important, that relevance of Afghanistan as land bridge between Central Asia and South-East Asia and also Middle-East, was also a point in this conference.

The participants underlined that without Afghanistan and the centrality of Afghanistan as focal point between different regions of Asia, it is not easy to the world to be one continent in cooperation and peace and also harmony.

From other sides, the development and cooperation in this part of our world is not an isolated issue but it is an issue of stability, peace and also security. To work together to make our region secure, we are fighting

also the threats which are coming from the terrorist activities through the different parts of our continent.

Regarding debt issues, it is very important that the world has an inter-dependent economy. Interdependence between the countries of our region to have (will have) a common benefit of development because we know the experience in Europe and other parts of the world. It is very successful in reducing the tensions between different countries to find some solutions for regional conflicts, ethnic conflicts and also ideological interference and instrumentalisation of terrorism as an instrument of policy. To reduce all of this danger, it is eminently necessary to work together for prosperity and democracy and stability in our region. Thank you.

Question (PTI): I want to know if terrorism is posing a major hindrance to economic reconstruction of Afghanistan. Is there any commitment from Pakistan to curb these activities coming from across the border?

Afghan Finance Minister: Pakistan is one of the active participants in reconstruction of Afghanistan. Pakistan supported reconstruction in my country with more than 260 million dollars and we are very grateful for Pakistan's cooperation in different fields, including development. It is not possible to have stability in this region. We hope that as soon as possible, Pakistan (would) open the road from India to Afghanistan for strengthened common cooperation and for the realization of the recommendation of the Delhi conference.

Afghan Finance Minister: I just want to make a point on that. The resurgence of violence in Afghanistan has certainly a negative impact on the development of Afghanistan. Of course, it is not our choice. We would rather have development in an environment free of violence and that will make development less costly for us and much faster. But that is the environment in which we live. We call upon all the states in this region that terrorism and violence hurts the entire region and that we will like all countries to cooperate with us to face this menace jointly. I am confident that we will eventually overcome this problem. But if we get international support in this regard, hopefully we would be able to deal with this problem much faster and much more effectively. But, with regard to the final outcome, I have no doubt that eventually the Government of Afghanistan, with the help of the international community, will overcome this problem and we will proceed with our development in Afghanistan as we have planned it. Thank you.

Question (*The Hindu*): I have two questions - one to Mr. Mukherjee and one to Dr. Spanta.

Mr. Mukherjee, there is a reference to the Turkmenistan-Afghanistan-Pakistan-India pipeline in the Declaration that has been issued. It talks about a commercially viable project. Can you give us some idea of what kind of timeframe and are there going to be some feasibility studies conducted? What is the status of that project?

To Dr. Spanta, yesterday in his speech Mr. Hamid Karzai referred to the fact that international forces are still needed in Afghanistan and the job is not yet over. Is there an impression that some sections of the international community want to cut and run from Afghanistan?

External Affairs Minister: I am first responding to the question in respect of TAPI. After the finalization of the detailed project reports, it would be possible to indicate the timeframe. (Presently) It is just not possible to indicate the timeframe by which the project will be completed. So far as economic viability is concerned, of course, the project has economic viability. That is why we are interested in it.

Afghan Finance Minister: The commitment of international community in Afghanistan is a long-term commitment. The job is not done. If the reason why the forces of international community are in Afghanistan and why they are active there is eliminated, our appeal is also that the international forces leave Afghanistan and go back home. But all of the members of the anti-terror coalition like ISAF and NATO are ready to continue their commitment in Afghanistan and we do not have any sign that they will leave Afghanistan. We are very happy and they have our confidence. They have the support and solidarity of Afghan people. An absolute majority of the people of Afghanistan are happy that the international forces are there in Afghanistan and that is our common goal to make our region secure.

Question: I have two questions. Dr. Spanta, in the region we have two important countries – Iran and Pakistan. Can you go into details whether what was their precise role in this session and what did they promise to do to enhance the possibilities for regional integration?

Mr. Mukherjee, you spoke of establishment of a Centre in Kabul. Is there a timeframe for that? What will be the job of this center?

Afghan Finance Minister: Since I participated a little bit more on those discussions, I will take this question.

Pakistan expressed its cooperation with regard to the three major

projects. This is with regard to the role of Afghanistan in facilitating transportation between Central Asia, and between South Asia. With regard to the power or energy trading, since Pakistan would be a beneficiary in that regard and also with regard to trade facilitation and harmonization of the custom procedures. On all of these three points, Pakistan expressed its cooperation. Although the representative of Iran did not go into great details, but in general the representative of Iran was also cooperative and said they have endorsed the New Delhi Declaration so that they were also cooperative in this regard.

External Affairs Minister: So far as the Centre is concerned, it is an Asian Development Bank Project. The major objective of the center would be to carry out studies for in-depth and vigorous pursuit of the constructive, practical and specific initiatives for regional development. We are trying to institute the Centre as early as possible. But certain preparations and detailed project reports are to be worked out.

Question: Mukherjee Sahab, do you foresee any possibility of Indian military engagement inside Afghanistan in peacekeeping operations, in anti-terrorist operations there?

External Affairs Minister: We have not received any such request and I do not see any feasibility in the near future.

Question (DNA): Mr. Mukherjee, with the resurgence of the Taliban, how worried are we about the security of our people working there in different projects in Afghanistan? And, are we planning to beef up security or anything of that sort?

External Affairs Minister: In fact we have already made some security arrangements with some of our paramilitary forces with the cooperation of Afghan Government. After all the objective of these people is to see that India withdraws from the developmental activity in Afghanistan. Therefore, we refuse to succumb to the pressure of these groups of people, these Taliban, and our commitment to engage ourselves in the development of Afghanistan is firm. Therefore, whatever is possible to ensure the security of the persons engaged in different developmental activities, is being carried on with the support and cooperation of the Afghan Government. To supplement that effort, we have also put some of our Central Paramilitary Forces engaged therein.

**291. Statement by Permanent Representative at the UN
Ambassador Nirupam Sen on Afghanistan at the Security
Council.**

New York, December 7, 2006.

Please See Document No. 603

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292. Press Release of the Ministry of External Affairs regarding response of Official Spokesperson to a question on comments made by Secretary, Supreme National Security Council of Iran regarding India in a recent interview.

New Delhi, January 16, 2006.

In response to a question on comments made by Secretary, Supreme National Security Council of Iran regarding India in a recent interview the Official Spokesperson said:

We have seen comments made by Mr. Ali Larijani, Secretary, Supreme National Security Council of Iran regarding India in a recent interview. We regret this reference to India¹.

We have consistently maintained that it is a State's sovereign right to enter into treaties and international agreements. Every State must fully comply with its international obligations and commitments and in a transparent manner.

India is a responsible nuclear weapon State and has always been in compliance with its obligations under international treaties and agreements.

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1. In a CNN television interview Larijani said: In comparing American behaviour to Iran with countries that recently developed nuclear weapons, they are being harmonious now because they think that in ten years' time we will develop nuclear weapons. But compare that to India, it does have nuclear weapons but they have extensive relations in the nuclear field. This dual standard is detrimental to international security."

293. Response of Official Spokesperson to a question on the Iran nuclear issue.

New Delhi, January 27, 2006.

During the past two weeks, India has been undertaking active consultations with all key members of the IAEA Board of Governors and with Iran, in order to avoid confrontation and to promote the widest possible consensus on handling the Iran nuclear issue. In all these consultations, India has urged:-

- i) that all concerned countries should avoid confrontation and work in the spirit of seeking a mutually acceptable solution;
- ii) that Iran's right to develop peaceful uses of nuclear energy for its development consistent with its international obligations and commitments should be respected;
- iii) Iran's willingness to work together with the IAEA to remove any outstanding issues, about its nuclear programme should be welcomed. In this regard, the Agency should be allowed to proceed according to its work programme and submit a detailed report.

India welcomes all initiatives, including from Russia, which could enable a consensus to be reached on this issue and urges further intensive efforts in that direction.

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294. Reaction of the Official Spokesperson to questions on India's vote on the Iran nuclear issue at the IAEA Board meeting in Vienna.

New Delhi, February 4, 2006.

- The Resolution is well-balanced. Several amendments suggested by Non-aligned countries were accepted by the EU co-sponsors. While there will be a report to the Security Council, the Iran nuclear issue remains within the purview of the IAEA.
- It has been our consistent position that confrontation should be avoided and any outstanding issue ought to be resolved through dialogue. The Resolution has won a period of six weeks, before the

march IAEA Board Meeting, for diplomatic efforts to continue and to get negotiations between the EU-3 and Iran back on track. It also provides an opportunity for serious consideration of the Russian proposal for a joint venture with Iran for uranium enrichment.

- Our vote in favour of the Resolution should not be interpreted as in any way detracting from the traditionally close and friendly relations we enjoy with Iran. It is our conviction that our active role, along with other friendly countries, enabled the tabling of a resolution that recognizes the right of Iran to peaceful uses of nuclear energy for its development, consistent with its international commitments and obligations, while keeping the door open for further dialogue aimed at resolving the outstanding issues within the purview of the IAEA.
- We call upon Iran to respond positively to the requests from the IAEA Board to restore the confidence building measures it had voluntarily adopted in the Paris agreement, and continue to cooperate with the IAEA in resolving any outstanding issues related to its nuclear programme.

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295. Suo Motu Statement by Prime Minister Dr. Manmohan Singh in Parliament on Iran.

New Delhi, February 17, 2006.

Taking into account the concerns that have been raised about India's vote on the Iran nuclear issue at the meeting of the Governing Board of the International Atomic Energy Agency in Vienna, on February 5, 2006, I rise to apprise this august House of the facts of this matter.

Let me begin by affirming that India's vote on the IAEA resolution does not, in any way, detract from the traditionally close and friendly relations we are privileged to enjoy with Iran. Indeed, India-Iran ties, as we have repeatedly emphasized, are civilizational in nature. We intend to further strengthen and expand our multifaceted ties with Iran to mutual benefit.

Let me also state that the importance of India's relations with Iran is not limited to any single issue or aspect. This relationship is important across a wide expanse of cooperation, both bilateral and multilateral. We also cooperate on regional issues. We value this relationship and intend to do

what we can to nurture our bilateral ties. Let me reiterate in this context that we are committed to the proposed Iran-Pakistan-India gas pipeline. The economics of this project is currently under professional investigation by internationally reputed consultants. This is a necessary step in taking the pipeline project forward.

On the specific issue of Iran's nuclear programme, let me reiterate what I have said publicly on several occasions. As a signatory to the NPT, Iran has the legal right to develop peaceful uses of nuclear energy consistent with its international commitments and obligations. It is incumbent upon Iran to exercise these rights in the context of safeguards that it has voluntarily accepted upon its nuclear programme under the IAEA.

These rights and obligations must also be seen in context of developments since 2003, when IAEA began seeking answers to a number of questions arising from Iran's nuclear activities, some of which were undeclared to the IAEA in previous years. Subsequently, in context of these demands, Iran did extend cooperation to the IAEA in investigations of its some of these activities.

In November 2004, Iran agreed with the EU-3 (France, Germany, and the UK) to voluntarily suspend all enrichment and reprocessing activities until questions relating to its past nuclear activities were clarified by the IAEA. However, since August last year, Iran has renewed production of uranium hexafluoride and thereafter, has resumed uranium enrichment.

Successive reports of the Director General of the IAEA have noted that while Iran's cooperation has resulted in clarifying a number of questions, there remain many unresolved questions on key issues. These include the use of centrifuges imported from third countries, and designs relating to fabrication of metallic hemispheres. Hon'ble Members are aware that the source of such clandestine proliferation of sensitive technologies lies in our own neighbourhood, details of which have emerged from successive IAEA reports. This august House will agree that India cannot afford to turn a blind eye to security implications of such proliferation activities.

The objectives of upholding Iran's rights and obligations and our security concerns arising from proliferation activities in our extended neighbourhood have shaped our position. Therefore, our approach has been consistently in favour of promoting all efforts to find a solution, based on acceptable mutual compromises, in which Iran's interests and the concerns of the international community would be addressed. We have

consistently worked to promote a consensus in the IAEA towards this end. This has been the logic of our stand at the IAEA Board of Governors Meetings both in September 2005 and earlier this month.

I might remind Hon'ble Members that it is only on these two occasions that the Resolution that resulted has not been a consensus one, and a vote has been necessary. Despite that, in the latest vote this month, the Resolution not only had the support of all P-5 countries including Russia and China, but also of important NAM and developing countries such as Argentina, Brazil, Egypt, Ghana, Singapore, Yemen and Sri Lanka.

The resolutions passed in September last year and earlier this month underlined the need for time to be given for diplomatic efforts to continue. The recent resolution of February 5 asks the Director General of IAEA to inform the UN Security Council of the status of negotiations with Iran, and the steps that Iran needs to take to address these questions. It calls for continued diplomatic efforts including through exploration of the option provided by Russia, which we have supported. Hon'ble Members are aware that Russia had offered to locate a joint venture project on Russian soil to address Iranian needs for enriched uranium, provided Iran suspends its enrichment programme to increase international confidence regarding the unresolved questions of the last two decades. Russia and Iran are currently in discussions on the subject, and we remain hopeful of a positive outcome. It is our hope and belief that the issues that have arisen can still be resolved through discussion and dialogue.

Mr. Speaker, Sir, I have set out the background in which we have taken a position at the IAEA. I would like to reiterate our unshakeable conviction that such a sensitive issue, which concerns the rights and international obligations of sovereign nation and a proud people can only be addressed through calm, reasoned diplomacy and the willingness on all sides to eschew confrontation and seek acceptable compromise solutions. We are therefore deeply concerned by escalating rhetoric and growing tensions and the possibility of a confrontation over this issue. This is a matter of concern for us as tensions in this region $\frac{3}{4}$ where our vital political, economic and security interests are involved $\frac{3}{4}$ affects us directly. The region hosts 3.5 million Indian citizens whose welfare is a major concern of my Government.

We therefore call upon all concerned to exercise restraint, demonstrate flexibility and continue with dialogue, to reach an amicable

solution. As I mentioned, there will be another meeting of the IAEA Board in March this year at which a full and regular report will be presented by the IAEA Director-General. In the days to come, we will support diplomatic efforts in this regard, drawing upon our friendly relations with all the key countries involved.

The Government is conscious of the need to balance several important considerations in this regard. We have a strong and valuable relationship with Iran which we would like to take forward in a manner that is mutually beneficial. We have great respect and admiration for the Iranian people with whom our fraternal ties go back several millennia. We have every intention of ensuring that no shadow is cast on these bonds.

In the overall context that I have outlined in detail, I am confident that this august House will agree that the stance taken by this Government has been consistent and in keeping with our own well considered and independent judgment of our national interests. I am confident that this policy will receive the support of this House and our nation.

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296. Reply by Prime Minister Dr. Manmohan Singh to the Lok Sabha debate on India's vote at the IAEA on Iran's Nuclear Programme.

New Delhi, March 6, 2006.

Mr. Speaker Sir, Hon'ble Members have raised several points in the debate following my suo motu statement on our vote at the IAEA on Iran's nuclear programme. I respect the views voiced by Hon. Members on this important issue and I thank them for contributing to the debate in this august House.

Several members have made the point that our foreign policy should be guided by national interests, and that our positions on such issues should not be based on the position of other countries. My friends, Shri Gurudas Dasgupta and Shri Subroto Bose made these points, as did Shri Kharabela Swain. There can be no two opinions that Government should not take predetermined positions, or positions at the behest of other nations. No one can dispute that it is Government's duty to take a position on such matters after a dispassionate examination of the facts, keeping in mind our

national interests. I respectfully submit that in the present case, the Government has done precisely this. We have considered the facts and have exercised our independent judgment before taking a position. This is also the very essence of the policy of Non Alignment, which my friend Shri Rupchand Pal exhorted us to follow.

Let me recapitulate the essential facts of the matter:

- Iran has the legal right to develop peaceful uses of nuclear energy, but it also has certain obligations and responsibilities, based on the Safeguards Agreement which it voluntarily undertook with the IAEA
- It was in recognition of the existence of several unanswered questions that Iran agreed to start the process of assisting IAEA with investigations into several past activities.
- An important part of this process was the voluntary suspension by Iran of all enrichment and reprocessing activity in November 2004.
- However, since last August, Iran has renewed production of Uranium Hexafluoride, and since then, of uranium enrichment.
- Unresolved question regarding centrifuge imports and designs to make uranium metallic hemispheres remain. The origin of such procurement is an issue of direct concern for us.

Under these circumstances, our position was based on these facts, which emerged from an objective investigation by the IAEA, and through information disclosed by Iran itself.

Mr. Speaker Sir, There is also the question that several Hon. Members raised regarding the IAEA Board of Governors' meeting today. Shri Chandrappan and Shri Owaisi spoke of this. I should inform Members that it is as yet not clear in what manner this issue will be taken up by the Board of Governors today. The Resolution adopted by the IAEA Board of Governors last month mentions certain steps that Iran and the IAEA will be taking. Discussions are taking place in Vienna on this matter. The Government's approach will be based on our consistent policy of promoting efforts for a resolution of issues through dialogue and discussions. I would like to assure Hon. Members that Government will take into account the sentiments expressed in this House in this context.

Some points were also made regarding options that could have been

explored by the international community. There have also been discussions between Iran and Russia in this regard. We remain hopeful that solutions acceptable to all sides will be found. We do not favour confrontation, rhetoric or coercive measures as these only exacerbate tensions in the region and beyond. India has consistently stated that all sides must work to find mutually acceptable compromise solutions, and that confrontation should be avoided at all costs. For this to be possible, time must be given for diplomacy to work. I think there is consensus in Parliament and in our country that confrontation is not in the interests of India or of our region. Whenever the matter is taken up, we will work with all like-minded countries, including those from the NAM, for a mutually acceptable resolution of the issue.

Mr. Speaker Sir, Several Hon. Members, including Maj Gen Khanduri expressed concerns regarding our relations with Iran, and the effect of these developments on this important relationship. As I said in my suo motu statement, our Government is committed to widening, deepening and expanding our diverse and mutually beneficial ties with Iran. Only recently, my colleague the Minister of State for External Affairs, Shri E Ahammed, visited Tehran. He had meetings with the President of Iran, H.E. Mr. Ahmadinejad, as well as several Ministers of the Government of the Islamic Republic of Iran. Shri Ahammed emphasized our desire to remain engaged with Iran on all issues of mutual interest. Our desire to further deepen the friendly and productive ties between our two countries was fully reciprocated.

Government will continue to monitor the situation closely, and will deal with the Iran issue with the seriousness that it merits.

In dealing with this issue, we will pay due attention to our relationship with Iran, the need to maintain peace and stability in the Gulf region and safeguarding our own security.

I reiterate that this House can rest assured that we will also take into account the sentiments expressed in the House.

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297. Response of Official Spokesperson to Reports of Sanctions Against Iran.

New Delhi, April 25, 2006.

India values its civilizational ties and traditionally close and friendly relations with Iran. We have repeatedly declared that issues relating to Iran's nuclear programme should be resolved through dialogue. Iran has the right to develop nuclear energy for peaceful purpose, but this must be consistent with its international commitments and obligations¹. India, along with other friendly countries, has continued to make efforts to reach an amicable resolution of outstanding issues through patient dialogue. Confrontation or the threat or use of force can only exacerbate tensions in a region which is of vital importance to India, and must therefore be avoided at all costs.

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1. Nevertheless India was cautious in regard to Iranian nuclear programme. It suspected that Iran had nuclear ambitions and India could not close its eyes to that. When a delegation of Muslims met the Prime Minister on April 18 to discuss India's foreign policy particularly India's vote against Iran in the IAEA, the latter told the delegation that Iran has had a clandestine nuclear programme for several years and it is not in India's interest to have another nuclear weapon state in the neighbourhood. He felt that improvement in India-US relations was in the interest of all Indians. He assured the delegation that there was no question of India succumbing to any external pressure.

298. Press Release of the Ministry of External Affairs giving response of Official Spokesperson to a question on the report submitted by Director-General, IAEA on 28 April 2006, on Iran's nuclear programme.

New Delhi, April 29, 2006.

We have seen the report submitted by Director-General, IAEA on 28 April 2006, on the Iran nuclear programme.

The DG, IAEA had also visited Iran on April 13 with the aim of enhancing Iran's cooperation with the IAEA on all outstanding issues.

The Report elaborates the developments since the last Board meeting in March in a factual and objective manner. The Report provides a useful basis on which diplomatic efforts should continue to avoid confrontation and to promote an amicable solution.

We continue to believe that a solution ought to be found through dialogue and confrontation should be avoided at all costs. This will require flexibility on all sides. India, as always, will continue to contribute towards the exploration of all diplomatic efforts to resolve the issue in a manner that respects Iran's right to peaceful uses of nuclear energy consistent with its international obligations and commitments.

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299. Statement by Ambassador Sheel Kant Sharma, Governor for India at the IAEA on Agenda Item 8 (g): Report by the Director General on the Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, at IAEA Board of Governors Meeting.

Vienna, June 15, 2006.

Mr. Chairman, My delegation commends the Director General for two noteworthy reports on this agenda item dated April 28 and June 8 which provide an impartial and factual account of IAEA's verification work in Iran up to date. As stated by DG in his opening statement on June 12, the IAEA has not made much progress in resolving outstanding verification issues. Separately, reports point to promising diplomatic efforts under way

towards more broad-based negotiations among Iran and the Six, not only to address the nuclear issue but also Iranian genuine concerns. India has welcomed these diplomatic efforts. This is a significant opportunity to reach an amicable conclusion. All sides need to exercise restraint in words and actions at this sensitive juncture. At the same time the process may be facilitated by implementation of the requests made in the past resolutions of the Board.

We join the Director General of the IAEA in urging Iran to cooperate with IAEA to resolve all outstanding verification issues. We have consistently advocated that all outstanding issues be resolved through dialogue. We also underline IAEA's central role in this process. It is imperative that IAEA's work in Iran should continue with due cooperation as requested by the Board of Governors.

Thank you Mr. Chairman.

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300. Press Release of Ministry of External Affairs on Prime Minister Dr. Mamohan Singh's telephone conversation with the Iranian President Ahmadinejad.

New Delhi, April 28, 2006.

Prime Minister had a brief telephone conversation with President Ahmadinejad of the Islamic Republic of Iran this evening at Iranian request.

The leaders essentially discussed bilateral issues, including cooperation in the field of energy.

Prime Minister conveyed the good wishes of the Government and the people of India to the President and the people of Iran.

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301. Press Release of Ministry of External Affairs on the visit of Iranian Deputy Foreign Minister Dr. Mehdi Safari.

New Delhi, August 29, 2006.

In keeping with the practice of regular high level exchanges between India and Iran, Iran's Deputy Foreign Minister for Asia, Oceania and Commonwealth, Dr. Mehdi Safari, who arrived this morning, held talks with Secretary(East), Shri Rajiv Sikri.. The discussions covered bilateral and regional issues, and focused in particular on the nuclear issue and cooperation in the energy sector.

Dr. Safari explained Iran's response to the P5+1 package. He emphasised that Iran is open to negotiations and is willing to cooperate fully with IAEA but will insist on its rights under the NPT and on the issue being reverted to the IAEA. Secretary(East) underlined that India does not want confrontation and destabilization in the region. He said that India believes that as a signatory to the NPT Iran must enjoy all its rights and honour all its obligations. He emphasised that India wants all issues to be resolved through dialogue and discussion rather than coercion.

On energy India emphasised the importance of Iran honouring the LNG deal signed in June 2005. Both sides reaffirmed their commitment to the gas pipeline project.

Dr. Safari also called on the National Security Adviser, Shri M.K.Narayanan, and Foreign Secretary, Shri Shyam Saran.

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302. Press Release of the Prime Minister's Office on the telephonic conversation between Prime Minister Dr. Manmohan Singh and the Iranian President Mohamoud Ahmedinejad.

New Delhi, September 6, 2006.

The Prime Minister, Dr. Manmohan Singh, spoke on telephone with President of Iran, Mr. Mahmoud Ahmedinejad, today evening. The conversation was initiated by the Indian Prime Minister and lasted about 15 minutes.

Both leaders agreed that a strong and vibrant India-Iran relationship is of strategic importance for both countries, and would be beneficial for peace and prosperity of the entire region. In this context both Prime Minister and President Ahmedinejad reaffirmed the need to accelerate the implementation of all ongoing cooperation projects¹ including those in the energy and transport infrastructure sectors.

Prime Minister Dr. Manmohan Singh and President Ahmedinejad expressed satisfaction at the current state of bilateral relations, which both leaders affirmed, are deeply rooted in centuries of shared history and culture².

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1. New Delhi was involved in discussions with Tehran and Islamabad concerning the proposed project to run a gas pipeline from southern Iran to India via Pakistan. India was also keen on importing 7.5 million tones of LNG annually from Iran though the contract for 5 million tones has been impacted following increase in oil prices internationally.
 2. The Iranian President when interviewed by the daily *Hindu* on 8th August spoke of historical and civilisational ties, and of deep cultural affinities that bind the two countries. Declaring that his government had put behind it the "dismay" it felt at India's vote against Iran at the IAEA, Ahmadinejad said that he was looking forward to a "promising horizon" as far as bilateral relations with India were concerned. "Ours is not the kind of relationship that will be affected by one mistake," he said.

303. Briefing points by Official Spokesperson on the visit of Foreign Minister of Iran.

New Delhi, November 16, 2006.

- Visiting Foreign Minister of Iran Mr Manouchehr Mottaki held detailed discussions with External Affairs Minister Shri Pranab Mukherjee. The discussions continued over a dinner hosted by the EAM. The Foreign Minister of Iran also called on the Prime Minister this evening.
- During the discussions, the two sides reviewed the bilateral relationship with its close, traditional and historical linkages, frequent high level political contacts and economic cooperation. It was felt that the economic potential of the relationship needed to be actualized to the maximum. In this context, the possibilities of closer cooperation in the field of energy, including the status of IPI pipeline¹ were reviewed. EAM pointed out that Indian companies were keen to invest in Iran and the early conclusion of a Bilateral Investment Promotion and Protection Agreement as well as an agreement for Avoidance of Double Taxation would provide the necessary juridical basis for promoting such investment.
- The two sides also discussed regional issues, including Iraq, Afghanistan, the Gulf etc.
- Mr Mottaki also extended an invitation to PM Dr Manmohan Singh, on behalf of President Ahmedinejad, to visit Iran.

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1. Apart from the pipeline, India is also interested in buying LNG from Iran for which a specific agreement had been concluded. However, Iran is interested in renegotiating the price. In this connection there was a meeting between the Iranian Foreign Minister and Minister for Petroleum Murli Deora. After the meeting the latter told the press that "they (Iranians) gave us a new offer and we will start working on that." According to him Iranians indicated that the earlier price offered by India was very low and needed to be renegotiated. A price slightly higher than the one quoted originally by India was acceptable but it could not be much higher than the formula. Deora said that the talks for the renegotiations of the price would be held "very soon". He further hinted that India might ask for raising the volume of imports from the original level of 7.5 million tones of which price was negotiated for five million tones last year. The increase in volume however, would be taken up only after the deal was finalized. On the gas pipeline, Murli Deora said that the trilateral meeting with Pakistan and Iran would be held in Tehran in December, 2006. The Iranian Foreign Minister said the report of the consultants was awaited, while both the bilateral and trilateral negotiations would continue to reach common ground and implement the huge project.

304. Response of Official Spokesperson to questions on adoption of UNSC Resolution¹ on Iran.

New Delhi, December 24, 2006.

Iran has the right to pursue its nuclear programme for peaceful civilian use. It has undertaken certain obligations that its nuclear programme is exclusively for peaceful purposes. We have noted the passage of the UN Security Council Resolution and are studying its implications. We continue to feel that all possible efforts should be made to address the Iranian nuclear issue by peaceful means through dialogue and negotiation and that the IAEA should play a central role in resolving outstanding issues.

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1. The Spokesperson was referring to the Resolution adopted unanimously by the Security Council on December 23 imposing non-military sanctions on Iran for failure to end its nuclear enrichment programme.

IRAQ

305. Press Release of the Ministry of External Affairs giving reaction of the Government of India to the formation of new Iraqi Government.

New Delhi, May 22, 2006.

The Government of India welcomes the formation of a new Government in Iraq headed by Prime Minister Mr. Nouri K. Al-Maliki, which represents all sections of the Iraqi society.

The Prime Minister has sent a message of congratulations to Prime Minister Al-Maliki wishing him success in carrying out his new responsibilities and wishing the people of Iraq success in their efforts to bring peace, prosperity and stability in Iraq. Prime Minister has conveyed that India looks forward to further strengthening the traditionally close and friendly relations between the two peoples and countries in all fields, and has reiterated India's willingness to continue its assistance in the reconstruction of Iraq and to cooperate with Iraq in areas of mutual interest.

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306. Statement by External Affairs Minister Pranab Mukherjee on reports of the sentence to former President Saddam Hussain of Iraq

New Delhi, November 5, 2006

"We have seen reports that former President Saddam Hussain of Iraq has been sentenced to death by a Tribunal in Iraq. We understand that there is an automatic appeal procedure. Such life and death decisions require credible due process of law, which does not appear to be victor's justice and is acceptable to the people of Iraq as well as the international community. We have always stood for a peaceful resolution of the problems in Iraq. We hope that this verdict will not add to the suffering of the people of Iraq."

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307. Statement by Official Spokesperson on confirmation of death sentence on former President of Iraq Saddam Hussein.

New Delhi, December 26, 2006.

We have seen reports that the Appeals Court in Baghdad has confirmed the death sentence on former President Saddam Hussein of Iraq. It is our hope that the sentence will not be carried out and that the former President's life would be spared. We would also hope that no steps are taken which might obstruct the process of reconciliation and delay the restoration of peace in Iraq.

Statement issued by the External Affairs Minister Pranab Mukherjee when Saddam Hussein was hanged on December 30th.

"We had already expressed the hope that the execution would not be carried out. We are disappointed that it has been. We hope that this unfortunate event will not affect the process of reconciliation, restoration of peace and normalcy in Iraq."

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ISRAEL

308. Press Release of the Ministry of External Affairs containing briefing points by Official Spokesperson on the visit of National Security Advisor of Israel.

New Delhi, February 1, 2006.

- The Israeli NSA, Maj. Gen. (Retd.) Giora Eiland is visiting India from January 31 to February 2, 2006, at the invitation of our NSA, Shri M.K. Narayanan. Both NSAs had delegation level talks on February 1, 2006.
- Israeli NSA also called on Hon'ble Minister of Defence on January 31, 2006, and had a meeting with Foreign Secretary on February 1, 2006. He shall call on Special Envoy on West Asia and MEPP, Amb. C.R. Gharekhan on February 2, 2006.
- The issues covered during the meetings were bilateral, security perspectives (regional and global) and developments in South Asia, West Asia and North Africa, and the Gulf.

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JORDAN

309. Speech of President Dr. A. P. J. Abdul Kalam at a banquet in honour of King of Jordan Abdullah II Bin Al-Hussein.

New Delhi, December 2, 2006.

Your Majesty King Abdullah the Second Bin Al-Hussein of the Hashemite Kingdom of Jordan, Your Majesty Queen Rania Al Abdullah, Your Royal Highnesses, Excellencies, Distinguished Guests, Ladies and Gentlemen,

On behalf of the Government and the people of India and on my own behalf, it gives me great pleasure to extend to Your Majesties a very warm and cordial welcome on your first State Visit to our country. I also extend a very warm and cordial welcome to all the distinguished members of your delegation. This visit comes at a time of increasing India-Jordan interactions and is a testimony to the importance that India attaches to our relations with Jordan under your stewardship, and through Your Majesty's visit to the whole Arab world.

The linkages between India and the Arab world date back many centuries. Just as Jordan has served as the crossroads of many cultures and civilizations down the ages, India also has been home to many immigrations, ethnicities and traditions. The steady interchange of our thoughts and culture over centuries across land and sea with West Asia is a wonderful feature of our relationship. The city of Petra today, is testimony to the many great trading posts and centres of interaction between different peoples of our region. Culture and ideas from the Arab world that came to India more than 14 centuries ago and have become part of our indigenous composite civilization heritage.

India and Jordan became independent within a year of each other. India held its first Afro-Asian Conference in 1947 and signed its first bilateral agreement for cooperation and friendly relations with Jordan in the same year. This was formalized in 1950 with the establishment of full-fledged diplomatic ties. Thus, Jordan was one of the first countries with which India established full diplomatic relations. Since then, our friendly relations have been further consolidated and India became the first non-Arab country to welcome the signing of Jordan's peace treaty with Israel.

Your Majesty, I wish to recall the visits of your late distinguished

father His Majesty King Hussein to India in 1963 and later in 1983 when he led the Jordanian delegation to the 7th Non-Aligned Summit. He visited us again on a State Visit in October 1986. In September 1997 Queen Noor led a 14-member Jordanian delegation to attend the revered Mother Teresa's funeral in Calcutta. Our late Prime Minister Rajiv Gandhi visited Jordan in July 1988 when crucial decisions were taken to consolidate and diversify our economic and industrial cooperation and to work together in areas of science and technology.

Your Majesty, I would particularly like to commend the initiatives taken by you for the promotion of modernism combined with moderation, tolerance of pluralism and equality in stressing interaction among different faiths. The Petra initiative started by Your Majesty by bringing together Nobel Laureates to suggest remedies for modern problems – economic, political and social – is noteworthy and innovative. The enthusiasm and dynamism of Your Majesty Queen Rania Al Abdullah in taking forward the objective of rapid development of women and children under several initiatives including the Personal Status Code was seen during Your Majesty's visit to India and your address at the India Today Conclave last February. Like Jordan, India too has reserved seats for women in some of its elected bodies.

Your Majesty, it was refreshing this year to see our bilateral relations activated in the trade and economic sectors. India was happy to host a 57-member joint delegation of the Jordanian Business Association and the Federation of Arab Businessmen who interacted with the Federation of Indian Chambers of Commerce and Industry. Later in August 2006, the Indo-Jordan Joint Trade and Economic Committee was re-activated after a 10-year hiatus. Key areas for cooperation including trade, industry, agriculture, education services, technology, tourism, shipping, aviation and investment have been identified. While phosphates remain the major item of our bilateral trade, it would be useful to diversify this into a basket of mutually beneficial sectors and we should try to double our trade to \$1 Billion by 2008. In this context, we look forward to joint ventures along with Jordanian companies in the fields of fertilizers, petroleum and railway sectors for the mutual benefit of both countries. India and Jordan have some economic advantages including markets and shipping lanes, which we could suitably utilise in a win-win situation.

Your Majesty, Jordan has been an active supporter of the Palestinian cause and for its statehood much like India. You have taken bold initiatives

to revive the dialogue between Israel and Palestine by bringing together leaders of both countries, initially at Sharm-El-Sheik in February 2005 along with President Mubarak and in June 2006 at Petra. The international community should do its utmost to end the suffering of the Palestinian people and to re-start the peace process on all fronts. Jordan has played a key role in channeling aid not only from Jordan but from other countries both to Palestine and Lebanon. I would like to take this opportunity to thank the Jordanian Government for the assistance given to us during the Gulf Crisis when about 150,000 Indian nationals from the region were evacuated through Jordan. During the current crisis in Lebanon too, some Indian citizens have been evacuated through Jordan.

India like Jordan has suffered from the scourge of terrorism and we condemn terrorism in all its forms. Terrorism which kills innocent civilians cannot be justified under any circumstance. India and Jordan can work with each other in battling this global menace.

In your brief stay in India, Your Majesty, you are meeting a wide cross section of our leadership and our people. You will find a clear message in all your interactions – a message of India's total commitment to everlasting friendship and cooperation with Jordan, based on mutual trust and understanding. Together, we are working for a better future for our two peoples and indeed our whole continent.

In conclusion, I hope that Your Majesties and the distinguished members of your delegation have had a very pleasant and useful stay in India.

Thank You!

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KUWAIT

310. Press Release issued by the Presidential Secretariat on the passing away of Amir of Kuwait.

New Delhi, January 16, 2006.

The President Dr. A.P.J. Abdul Kalam has condoled the passing away of the His Highness Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait.

In a condolence letter to the new Amir of the State of Kuwait Sheikh Saad Al-Abdullah Al-Salem Al-Sabah Dr. Kalam said “it is with a sense of great sorrow and deep regret that we learnt of the passing away of His Highness Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait.

Sheikh Jaber’s contribution to the development and prosperity of the State of Kuwait was considerable. His farsighted vision steered Kuwait through difficult times. He will always be remembered for the vital role he played in securing the future for the coming generations and for the tireless efforts he made for the well-being of the Kuwaiti people. In his passing away, India has lost a good friend and the large expatriate Indian community in Kuwait has lost someone who enjoyed his care and benevolence.

India is united in grief with the Ruling Family of Kuwait, its leadership and its people in mourning the demise of His Highness Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah. On behalf of the Government of India and the people of India and on my own behalf I convey to you my sincere condolences¹.”

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1. The previous day the Government of India declared a day’s State Mourning on January 16 in memory of the late Amir. Mani Shankar Aiyar, Minister for Petroleum and Natural Gas and Panchayati Raj was deputed to visit Kuwait on January 16, 2006 to pay condolences on behalf of the Government and the people of India on the passing away of His Highness Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah, the Amir of the State of Kuwait.

311. Speech of President Dr. A. P. J. Abdul Kalam at a banquet in honour of the Amir of the State of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

New Delhi, June 15, 2006.

Your Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, The Amir of the State of Kuwait, Excellencies, Ladies and Gentlemen,

On behalf of the Government and people of India, it gives me great pleasure to welcome Your Highness and the distinguished members of your delegation on the occasion of your State Visit to India. It is a matter of great joy for us to receive you as a good friend from a great country. We are very happy to note that India is among the first countries visited by you outside the Gulf after you assumed the office of the Amir of Kuwait.

As the world's largest democracy, India rejoices in the fact that Kuwait also enjoys strong democratic traditions. We are pleased to note Your Highness's contribution towards empowerment and enfranchisement of women in Kuwait. Your Highness's interest in providing for a strong and vibrant Kuwait which moves ahead with the times is a factor of stability for the region and for peace and prosperity of the friendly people of Kuwait.

India and Kuwait have a shared history. We have known each other for centuries and since the independence of both our countries, our relationship has flourished to mutual benefit. India has been a centre of higher education for Kuwaitis, particularly of the older generation. After the discovery of oil and particularly since the 1970s, our links have been nurtured and developed not only through our traditionally close and historical ties but also through the active presence of the half a million members of the Indian expatriate community, who have made Kuwait their home. This community forms an umbilical link with India and acts as a strong bond in the furtherance of our partnership. While the Indian diaspora in Kuwait has contributed to the welfare and development of your great country, we appreciate the care and assistance, which has been extended by Your Highness to the members of the Indian community.

Political relations between our two countries have never been stronger than now and they are free from any problems or issues. This should enable us to provide a strong platform for the further consolidation and development of our mutually beneficial cooperation in other areas.

However, Your Highness, the economic and commercial cooperation between our two countries is not commensurate with its true potential. It is in this context, that we are happy to note that Your Highness's delegation includes a strong business component. I hope that during your visit, the captains of our industry would be able to identify areas where they could cooperate and participate in each other's development. The opportunities are immense and the time is right.

We also see Kuwait as an important partner in providing for India's energy security. Kuwait is India's second largest source for crude oil imports. As India rapidly expands its economy in the coming years, our cooperation in the energy and related sectors will be an important area underpinning our partnership. We could also be a partner in the exploration of your Oil and Natural Gas Resources.

India would be happy to share its experience with Kuwait as also its expertise in the fields of Science and Technology, Information Technology, Biotechnology, healthcare and higher education. The specific areas of cooperation could include Agriculture - especially desert cultivation and collaborations between our higher institutes of Technology. We would be happy to welcome investment by Kuwaiti agencies in various sectors including energy, infrastructure development and manufacturing. While there are many challenges, the opportunities are immense and there are no barriers, which should come in the way as we consolidate our cooperation in the economic, commercial, and investment related areas.

Your Highness's discussions during the visit would have confirmed the mutuality of our interests and the identity of our views on various issues confronting humanity in the 21st century. We share a similar outlook on matters relating to economic development, environment protection, non-proliferation and the war against terrorism. Both India and Kuwait are sincerely interested in seeing peace and stability return to Iraq in the interest of its people and the region. We both support the establishment of an independent and viable State of Palestine. India and Kuwait would like to see the issues relating to Iran being settled through dialogue and consultations with respect for international law and obligations by each and every party concerned. India and the Gulf Cooperation Council have been working together towards a Free Trade Arrangement, which would provide greater cooperation between India and the region and between South Asia and the Gulf Cooperation Council. We look forward to working very closely with Your Highness to provide a greater enrichment and content to our bilateral partnership as also for the betterment of our people.

In conclusion, let me wish you, Your Highness, and the distinguished members of your delegation a very pleasant and useful stay in India. Thank You!

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312. Joint Statement issued on the occasion of the State visit to India by His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah Amir of the State of Kuwait.

New Delhi, June 19, 2006.

The Amir of the State of Kuwait His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah paid a State Visit to India from June 14-19, 2006.

During the visit, His Highness the Amir held wide ranging and very fruitful talks with the President of India His Excellency Dr. A.P.J. Abdul Kalam and the Prime Minister of India His Excellency Dr. Manmohan Singh. In their meetings, the leaders of the two countries recalled the historical ties between India and Kuwait and noted that the mutually beneficial and traditionally close interaction, which has existed between the peoples of the two countries over several generations, had stood the test of time. They stressed the need for consolidating this relationship and building a strong partnership for the 21st century between the two countries in keeping with their responsibility for promoting peace, stability and security in the region and the world. The leaders of the two sides expressed satisfaction with the current state of bilateral relations and, recognising the considerable existing mutual goodwill, underlined the need for its continuance by the new generation of the two countries.

They welcomed the conclusion of various agreements during the visit of His Highness the Amir of the State of Kuwait to India. They acknowledged that these agreements and those already existing would strengthen the framework for the consolidation of friendship and cooperation between India and Kuwait.

They noted with satisfaction the steady progress being made in bilateral economic and commercial cooperation between the two countries and expressed the confidence that the considerable potential that exists would be fully utilized to mutual benefit. To achieve this they agreed that Ministerial and official level exchanges between India and Kuwait would

be intensified. It was also agreed that the India-Kuwait Joint Commission for Economic and Commercial Cooperation would hold its next session in the last quarter of 2006 and take stock of the current state of bilateral economic cooperation and identify avenues for further strengthening it. The two sides agreed that the Commission would meet regularly and frequently. They agreed to set up Working Groups on investment; energy and petrochemicals; labour and manpower development and other areas as necessary. The Working Groups would meet in the second half of July 2006 in New Delhi and would submit their reports to the Joint Commission.

Both sides noted that there were considerable opportunities for the development of bilateral economic, trade and investment cooperation and that steps would be taken to actively promote investment cooperation in all sectors including petroleum and petrochemicals, fertilizers, energy, civil aviation and infrastructure in each other's countries. They would encourage private and public sector participation in this regard. The Indian side welcomed the proposal of the Kuwaiti side to establish a holding company to promote investment in both countries.

The State of Kuwait as a major oil producer with substantial hydrocarbon reserves and the Republic of India as a major and growing consumer of hydrocarbons recognized the potential for mutually beneficial energy partnership based on complementarity of interests. They intend to develop and expand cooperation between their respective oil companies for encouraging, promoting and establishing a long-term relationship in the supply of crude oil and petroleum products, upstream and downstream joint ventures, refineries, petrochemical industries and marketing, both in Kuwait and India and internationally, as permitted by their respective laws and regulations.

In New Delhi, His Highness the Amir addressed a luncheon meeting of representatives of apex Indian chambers of commerce and industry, drawn from the ASSOCHAM, CII and FICCI. His Highness the Amir also visited Mumbai where the accompanying business delegation met their counterparts.

They agreed that the two countries would work for closer cooperation in the field of technology, in particular in the field of information and communications technology; agriculture; biotechnology; and non-conventional energy technologies. Exchange of experts would take place for developing cooperation in these areas.

The two sides agreed that cooperation would be enhanced between them in the education sector.

The two countries would work towards enhancing cooperation in the health sector, including health services, exchange of health personnel, health education and pharmaceuticals.

The Kuwaiti side appreciated the role and contribution of the Indian community for the development and progress of the State of Kuwait. The Indian leaders expressed their appreciation for the care and benevolence provided by the State of Kuwait towards the Indian community. The Kuwaiti side briefed the Indian side on the proposed reform in labour laws which would protect the interest of skilled and unskilled labour in Kuwait.

The two sides denounced terrorism in all its forms and manifestations and reaffirmed their intention to strengthen their cooperation in combating terrorism at the bilateral level and within the multilateral system of the United Nations.

India and Kuwait welcomed the formation of the new Government in Iraq headed by Prime Minister Nouri Al-Maliki, which represents all sections of the Iraqi society and wished the Prime Minister and his Government success in their efforts to bring peace, prosperity and stability to Iraq. Both sides expressed their willingness to continue their assistance for the reconstruction of Iraq.

Both sides reiterated their support for the establishment of a sovereign, independent, united and viable State of Palestine within a reasonable timeframe through a negotiated settlement within secure and recognized borders as envisaged in the Quartet Roadmap and relevant UN Security Council Resolutions. Both sides condemned the killing of innocent civilians. India and Kuwait emphasized the importance of reinvigorating the Peace Process in the Middle East in accordance with the Arab Peace Plan of 2003 and the Quartet Roadmap and pledged to continue their developmental and humanitarian assistance to Palestine.

They took note of the current situation around the Gulf and mentioned that while Iran had the right to develop nuclear energy for peaceful purposes, it should be done in consonance with its international obligations. They also underlined that the resolution of the current issues should be through dialogue and consultations, giving diplomacy a chance and that confrontation should be avoided at all costs.

The leaders of the two countries agreed that regular exchanges of high level visits between India and Kuwait would help sustain the momentum of bilateral relations. His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait thanked the President and the Prime Minister of India for their hospitality.

His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, Amir of the State of Kuwait extended a formal invitation to His Excellency Dr. A.P.J. Abdul Kalam, President of the Republic of India and His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India to visit the State of Kuwait at a mutually convenient time. The invitations were warmly accepted.

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313. Agreement between the Republic of India and the State of Kuwait on Juridical and Judicial Cooperation in Civil and Commercial Matters.

New Delhi, August 16, 2006.

The Government of the Republic of India and the Government of the State of Kuwait (hereinafter referred to as the “Contracting Parties”);

Being desirous of strengthening the bonds of friendship between the two countries and promoting fruitful cooperation in the judicial and legal spheres;

Recognizing the need to facilitate the widest measure of legal and judicial assistance in civil and commercial matters;

HAVE AGREED as follows:

SCOPE OF APPLICATION

Article 1

1. The Contracting Parties shall grant each other under this Agreement the widest measure of mutual legal and judicial assistance in civil and commercial matters in accordance with their national laws.
2. Assistance under this Agreement shall apply to:
 - a) service of summons, court notices and other judicial documents, or processes;

- b) taking of evidence by means of Letters of Request or Commission;
 - c) execution of decrees.
3. This Agreement shall be without prejudice to any rights and obligations of the parties pursuant to other treaties or arrangements.
 4. This Agreement shall apply to any requests for mutual legal and judicial assistance relating to any civil or commercial matters arising either prior to or after its entry into force.

CENTRAL AUTHORITIES AND AUTHENTICATION OF DOCUMENTS

Article 2

1. Requests for legal and judicial assistance shall be made through the Central Authorities of the Contracting Parties.
2. In the Republic of India, the Central Authority is the Ministry of Law & Justice (Department of Legal Affairs). In the State of Kuwait, the Central Authority is the Ministry of Justice (International Relations Department).
3. Unless otherwise stated, all the documents in connection with the legal and judicial assistance shall be officially signed by the court under its seal, which shall be authenticated by the Central Authority of the Requesting Party.
4. All requests and supporting documents shall be furnished in duplicate and shall be accompanied by a translation into one of the official languages of the Requested Party, or in English.

SERVICE OF SUMMONS, COURT NOTICES, AND OTHER JUDICIAL DOCUMENTS

Article 3

1. Service of summons, court notices and other judicial documents shall be effected in accordance with the procedure provided for in the laws of the Requested Party, or by a particular method desired by the Requesting Party, unless such a method is incompatible with the law of the Requested Party.
2. Summons, court notices and other judicial documents served in pursuance of this Agreement shall be deemed to have been served in the territory of the Requesting Party.

3. The provisions of paragraph 1 of this Article shall not preclude the right of the Contracting Parties to effect such service through its diplomatic or consular representatives, of summons, court notices and other judicial documents on its nationals residing in the territory of the other Contracting Party without application of any compulsion. Service in such cases shall entail no responsibility for the other Contracting Party.
4. Service of summons, court notices and other judicial documents may be effected in special manner by an express request from the Requesting Party provided that it shall not be incompatible with the laws of the Requested Party. Summons, court notices and other judicial documents, served in accordance with the provisions of this Agreement shall have the same legal effect as if they had been served in the territory of the Requesting Party.
5. Any claim about the addressee being a national of the State in whose jurisdiction the service is to be effected shall be determined in accordance with the law of that State.

Article 4

Any request for the service of summons, court notices and other judicial documents shall be accompanied by all particulars concerning the name and title, place of residence or business of the addressee and a list of documents to be served on that person. Where any special mode of service is desired, this should also be indicated in the request.

Article 5

1. A request for service of summons, court notices and other judicial documents, which is in conformity with the provisions of this Agreement, may not be refused, unless the Requested that compliance with the request would infringe its so sovereignty security, public order or national interest.
2. Service may not be refused on the ground that the request doesn't show sufficient legal grounds supporting the merits of the case.
3. Whenever the service is not effected, the Requested party shall forthwith notify the Requesting Party of the reasons therefore.

Article 6

1. The competent authority in the Requested Party shall serve the judicial documents and papers in accordance with the laws and rules applicable in this regard. No fees and costs may be levied for effecting, such service.
2. Service may be effected in a special mode *or* manner specified by the Requesting Party, provided that it does not contravene the laws of the Requested Party.

Article 7

1. The powers of the competent authority in the Requested party shall be limited to the delivery of the judicial documents and papers to the addressee.
2. Delivery shall be proved either by the signature of the addressee on the copy of the judicial document or paper, or by a certificate issued by the competent authority stating the name of the addressee, the date and the mode of delivery, and where such delivery could not be effected, the reasons for such non-delivery.
3. A copy of the judicial document or paper signed by the addressee or a certificate proving delivery shall be sent to the Requesting Party through the Central Authority.

TAKING OF EVIDENCE

Article 8

1. The judicial authorities of a Contracting Party may in accordance with the provisions of the law of that Party, request for the taking of evidence in civil and commercial matters by means of Letters of Request addressed to the competent judicial authorities of the other Party, through the channels stated in Article 2 of this Agreement.
2. For the purpose of this Agreement, taking of evidence shall be deemed to cover:
 - a) taking of statements, on oath or otherwise, of a witness;
 - b) submission of oath to a witness, with regard to any legal proceedings; and
 - c) production, identification or examination of documents, record, samples relevant to the evidence requested and submitted

by the person whose evidence is taken under sub- paras (a) & (b) above.

3. A Letter of Request shall specify:
 - a) judicial or other competent authority requesting the evidence;
 - b) nature of the proceedings for which the evidence is required and all necessary information related thereto;
 - c) names and addresses of the parties to the proceedings;
 - d) evidence to be obtained; and
 - e) names and addresses of the persons to be examined.
4. Where deemed necessary, the Letters of Request shall be accompanied by a list of interrogatories to be put to the witnesses or other persons involved or a statement of the subject about which they are to be examined and the documents relevant to such evidence or statement.
5. The Letters of Request shall indicate whether the evidence required is to be taken on oath or affirmation.

Article 9

The judicial proceedings performed by way of a Commission in pursuance of the provisions of this Agreement shall have the same legal effect as if performed by a competent authority in the Requesting Party.

Article 10

1. The competent authorities of the Requested Party shall execute the Letters of Request in accordance with the provisions of its own laws and obtain the evidence required by applying the methods and procedures as are permissible under its laws, including appropriate methods of compulsion.
2. The Requested Party shall follow any special method or procedure, which has been expressly specified by the Letter of Request insofar as it is not incompatible with its laws and practices.
3. The Letters of Request shall be executed as expeditiously as possible.
4. The Requesting Party shall, if it so desires, be informed of the time when, and the place where, the proceedings will take place, in order

that the parties concerned, and their representatives, if any, may be present. This information shall be sent directly to the parties or their representatives when the Requesting Party so requests.

5. When the Letter of Request has been executed, the necessary documents establishing its execution shall be sent to the Requesting Party.
6. In every instance where the Letter of Request is not executed in whole or in part, the Requesting Party shall be informed immediately and advised of the reasons.

Article 11

1. The execution of a Letter of Request may be refused only to the extent that,
 - a) the execution of the Letter does not fall within the functions of the judiciary; or
 - b) the Requested Party considers that its sovereignty, security, public order or national interest would be prejudiced by its execution.
2. Execution may not be refused solely on the ground that under its internal laws the Requested Party claims exclusive jurisdiction over the subject matter of the action or that its internal laws would not admit a right of action on it.

Article 12

The execution of Letters of Request and taking of evidence by the Requested Party shall not give rise to any reimbursement of charges, expenses or costs, under whatever description, by the Requesting Party. However, the Requested Party shall have the right to seek reimbursement of:

- a) any expenses and charges paid to the witnesses, experts or interpreters,
- b) any costs incurred to secure the attendance of witnesses who have not appeared voluntarily, and
- c) any costs and expenses occasioned by the use of a special procedure on request.

Article 13

1. A witness or an expert, whatever his nationality, appearing on a summons before the judicial authorities of the Requesting Party shall not be prosecuted or detained or subjected to any other restriction of his personal liberty in the territory of that Party in respect of acts or omissions prior to Party his departure from the territory of the Requested party.
2. The immunity provided for in this Article shall cease when the witness or the expert, having had for a period of 30 consecutive days from the date when his presence is no longer required by the judicial authorities an opportunity of leaving, has nevertheless remained in the territory, or having left, has returned thereto.

Article 14

A diplomatic officer or consular agent of either Contracting Party may, in the territory of the other Party take the evidence, without compulsion of nationals of the Party which he represents, in aid of judicial proceedings commenced in the courts of the Contracting Party which he represents.

Article 15

A person duly appointed as a Commissioner by the courts of either Contracting Party may, without compulsion, take evidence in the territory of the other Contracting Party, in accordance with the laws of that Party.

RECOGNITION AND EXECUTION OF DECREES

Article 16

1. Each of the Contracting Parties shall, in accordance with its laws, recognize and execute conclusive decrees passed by the courts of the other Contracting Party in civil, commercial or personal matters and by criminal courts in civil matters.
2. The term "Decree" as used in this Agreement, whatever its designation, means any decision or order rendered in judicial proceedings by a competent court or arbitral tribunal or other quasi-judicial authority of the Contracting Parties.
3. The provisions of this Agreement shall also apply to interim or provisional measures.

Article 17

In disputes involving the question of capacity or status of a person, the courts of the Contracting Party of which that person is a national at the time of institution of the suit shall be competent in those matters.

Article 18

The courts of the Contracting Party where immovable property is situated shall be competent to determine the rights connected with such property.

Article 19

In matters other than capacity or status of a person or immovable property, the courts of a Contracting Party shall have jurisdiction in the following cases:

- a) the defendant has his domicile or residence in the territory of that Contracting Party at the time of institution of the suit; or
- b) the defendant has at the time of institution of the suit, a place or a branch of commercial or industrial nature or works for gain in the territory of that Contracting Party and the suit relates to such activity; or
- c) by an express or implied agreement between the plaintiff and the defendant, the contractual obligations giving rise to the litigation are or have to be performed in the territory of that Contracting Party; or
- d) in case of non-contractual liability the act is committed in the territory of that Contracting Party; or
- e) the defendant expressly or impliedly submitted to the jurisdiction of the courts of that Contracting Party, and the law of that State allows such submission; or
- f) or any application for interim or provisional measures, if the courts of such Contracting Party are deemed competent to hear the principal dispute, by virtue of the provisions of this Agreement.

Article 20

Subject to the provisions of this Agreement, the court of the Contracting Party requested to recognize and execute a decree shall, when examining the grounds of jurisdiction exercised by the courts of the other Contracting Party, be bound by the facts stated in that decree and on which jurisdiction is based, unless the said decree had been passed *in absentia*.

Article 21

A decree shall not be recognized or executed in the following cases:

- a) if it is not conclusive and executable; or
- b) it has not been pronounced by a court of competent jurisdiction; or
- c) it has not been given on the merits of the case; or
- d) it appears on the face of the proceedings to be founded on violation of the international law or the applicable law; or
- e) the proceedings in which the judgment was obtained are opposed to natural justice; or
- f) it has been obtained by fraud; or
- g) it sustains a claim founded on a breach of any law in force, or is contrary to the constitutional rules or the principles of public order or national interest in the Requested Party; or
- h) it contravenes the rules concerning the legal representation of persons suffering from lack of capacity in the Requested Party; or
- i) it is passed *in absentia* and the defaulting party was not duly summoned in accordance with the rules applicable in his country; or
- j) the dispute in which the decree was passed is pending in a suit before one of the courts in the Requested Party, between the same parties and involving the same cause of action, and that suit was raised before one of the courts of the latter Contracting Party, at a date prior to the raising of that dispute in the court of the Contracting Party which passed the decree, and provided that the court before which the suit was raised, is competent to hear and decide upon it.

Article 22

Procedures relating to recognition or execution of a decree shall be subject to the laws of the Requested Party.

Article 23

1. The competent judicial authority in the Contracting Party requested to recognize or execute a decree shall, without reviewing the merits of the case, confine itself to ascertaining the compliance of the decree with the conditions provided for in this Agreement.
2. The competent judicial authority in the Requested Party shall, when necessary, in executing the decree, take the necessary action to

notify the decree in the same manner as it would have done had it been passed in its own territory.

3. The order for execution may be made for the whole or part of the decree, if the execution of such part of the decree is severable.

Article 24

The Central Authority of the Contracting Party requesting recognition or execution of a decree in the other Contracting Party, shall submit the following:

- a) an official copy of the decree;
- b) a certificate showing that the decree is final and executable, unless that is provided for in the decree itself;
- c) in case of a decree *in absentia.*, an authenticated copy of the summons or any other document showing that the defendant was duly summoned; and
- d) if the request is only for execution of a decree, an official copy in properly executable form.

Article 25

1. The judgment passed for the settlement of a claim which is made and filed before a judicial authority of either Contracting Party competent to consider the claim according to its national law shall be recognized and enforced in the territory of the other Contracting Party, after ascertaining that it is executable in the Party in which it was rendered and that it does not contain any provisions contravening the constitutional rules, public order or national interest of the requested Contracting Party.
2. The Contracting Party requesting recognition or execution of a judgment must submit an official copy and a certificate from the judicial authority stating the extent, if any, to which the decree has been satisfied or adjusted.

ARBITRAL AWARDS

Article 26

1. Arbitral awards given in the territory of either Contracting Party shall be recognized and enforced in the other Party provided that:
 - a) the award of arbitrators is based on a written agreement of the parties to the dispute to submit to arbitrators for

- determination of any specific or future dispute arising out of legal relations; and
- b) the award is made on matters arbitrable according to the law of the Party requested to recognize and enforce the award, unless it is contrary to the public order or national interest of the Requested Party.
2. The Contracting Party requesting the recognition and enforcement of an award shall produce a copy of the award accompanied by a certificate of the competent judicial authority in the Requesting Party to the effect that the award is executable.
3. A certified copy of the agreement between the disputant Parties empowering the arbitrators to decide the dispute shall also be produced.

RATIFICATION AND TERMINATION

Article 27

This Agreement shall be subject to ratification in accordance with the constitutional procedures in force in both Contracting Parties. It shall become effective from the date of the last intimation, by which either Contracting Party shall inform the other that all the necessary legal procedures for the enforcement of the Agreement have been fulfilled.

Article 28

This Agreement has been concluded for an indefinite period of time. Either of the Contracting Parties may terminate this Agreement by giving six months notice thereof through diplomatic channels. Upon the expiry of such notice, the Agreement shall cease to have any force or effect.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at New Delhi on 16th day of August 2005 in two originals each in Hindi, Arabic and English languages, each text being equally authentic. However, in case of difference, the English text shall prevail.

**For the Government of the
Republic of India**

**For the Government of the
State of Kuwait**

LEBANON

314. Response of Official Spokesperson to a question on the escalating tension in West Asia.

New Delhi, July 1, 2006.

We regret that Israel should have chosen to give a military response to the capture of an Israeli soldier last week, rather than afford time and opportunity for diplomatic action to resolve the matter. The actions of the Israeli Defence Forces, such as the bombing of a power plant and several bridges in Gaza, have affected the lives of ordinary citizens. This will only contribute to a deterioration of the already existing humanitarian crisis there. Our grave concern over these developments has already been conveyed to the Israeli Ambassador yesterday by Shri Rajiv Sikri, Secretary (East) in the Ministry of External Affairs.

F F F F F

315. Statement by Official Spokesperson on the tension at the Israel-Lebanon border.

New Delhi, July 13, 2006.

We are seriously concerned about the escalating tension in West Asia as a result of developments on the Israel-Lebanese border since yesterday which have the potential to inflame the region further and widen the conflict. India condemns the abduction of two Israeli soldiers on 12 July 2006 by Lebanese militants and calls for their immediate release. We equally strongly condemn the excessive and disproportionate military retaliation by Israel which has targeted civilian infrastructure, including Beirut airport. We are particularly concerned that the actions of the Israeli Defence Forces have resulted in the killing and suffering of innocent civilians, including women and children, that is likely to exacerbate an already tense situation.

India calls upon all parties concerned to eschew violence, de-escalate the situation, and return to the path of negotiations. It is our firm conviction that lasting peace and security in the region, which is in the interest of not only the countries of the region but of the whole world, can be achieved only through peaceful dialogue and not through use of force.

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316. Press Briefing by Secretary (East) in the Ministry of External Affairs Rajiv Sikri on Advisory to Indians in Lebanon.

New Delhi, July 17, 2006.

Secretary (East): As you are aware, the crisis in Lebanon has been escalating over the last few days and it is our expectation that it is likely to worsen in the coming days particularly in Southern Lebanon which may come under heavy Israeli attack. The Israeli air strikes are taking place and it is not ruled out that there could be some ground forces also that could cross over from Israel to Lebanon. Of course, this is a matter on which we have already expressed our concern and a statement was issued a few days ago but in view of the emerging situation, we are concerned about the welfare of about 12,000 Indian nationals whom we estimate are living in Lebanon. They are mostly unskilled or semi-skilled laborers working in factories, farms and industrial units. Some of them have been in Lebanon for over two decades and they continued to live there even in the time of the earlier crisis in 1980s.

Naturally, we are concerned that should the crisis worsen then their welfare and their possible evacuation is something that we have to be concerned about. For the moment we have facilitated the evacuation of all the families of India-based personnel in the Embassy there, as well as some Indian nationals in and around Beirut who wanted to leave Lebanon. This morning a couple of buses were organized by our Embassy and we have just received information that they have safely arrived in Syria. They had crossed over the border and as we speak it's probable that they may have reached Damascus where our mission will look after their welfare. Two buses, a total of 49 people have been sent out of Lebanon today.

Our Embassy in Beirut has been constantly in touch with the Indian nationals, who, as I mentioned, are scattered all over the country on the telephone, through associations, gurudwaras and temples, and we have issued an advisory to the nationals in view of the deteriorating situation in Lebanon. All Indian nationals living there, particularly in southern Lebanon, should take suitable precautions regarding their personal safety. I would advise them to remain in contact with our Embassy in Beirut and have given the contact telephone numbers and address of the Embassy which is being manned on a round-the-clock basis. The Embassy will give them the necessary advice and updated information on the evolving situation. It is possible that some of them may not have travel documents, or may need

other consular assistance, so our Embassy would assist in this regard. Those Indian nationals who may wish to leave Lebanon and are able to cross into Syria, have been advised to contact the Embassy of India in Damascus, which is also running a 24-hour help line and is being manned round the clock, so that they can also give advise and assistance to the Indians to get back to India.

As you are aware, there is a naval blockade by Israel, and the airport is damaged and out of commission. So the options for evacuation are quite limited, should such a situation arise. There are only a couple of roads from Lebanon to Syria, and these have also been damaged, but they are operative as the successful evacuation of the Indians in two bus loads this morning from Lebanon to Syria has brought out.

The Cabinet Secretary held a meeting this evening to review the situation. We are putting in place a contingency plan for assisting and possibly evacuating our nationals should the need arise. We have in the vicinity, four ships of the Indian Navy. They were in the Mediterranean, and they had just crossed the Suez Canal; they are being asked to go back to the Mediterranean, and position themselves off the Lebanese coast. Meanwhile, we are in touch with Israel to see what assistance they can give. We will need some clear period and slot so that the ships can dock and evacuate the people if necessary— some windows would be required.

We are also looking at other possibilities of evacuation by air from Damascus, should the need arise. So we just wanted to alert that we are taking all the precautions and making the arrangements for the welfare of our citizens who find themselves in Lebanon in this very difficult situation.

We also have the peacekeeping force in Lebanon—the UNIFIL— where 672 soldiers, including many officers are there. They are actually in the war-zone and yesterday one of the soldiers was wounded when a stray Israeli shell ricocheted off a rock or something hit him. We have protested to the Israelis and asked them to make sure that this kind of incident does not recur. We are also in touch with the UN to ascertain the future of this peace-keeping mission in the light of the hostilities that are beginning. We are awaiting word from the UN in this regard.

That in brief is the situation, and I would be happy to take any questions that any of you may have.

Question: Is our Embassy functioning normally?

Secretary (East): Yes, our Embassy is functioning normally. As I said, only the families have been evacuated. All our staff and the Ambassador are there. Obviously, the Embassy is not functioning in easy conditions because the communications are disrupted. It is sometimes very difficult to get through to them or for them to get through to us. As a result of the attacks and hits on the power stations, the power situation is quite bad. All the banks are closed so there is problem of finances also. But we are doing whatever is possible to tackle the situation.

Question: You mentioned the ascertaining of the future of the UN force. Are we also considering pulling out our troops?

Secretary (East): Well, the safety of our soldiers is obviously very important. It is not ruled out that the UN themselves could decide that they want to wind down this Mission. So, we are in touch with the UN in New York.

Question: You mentioned that the options for evacuation are very limited. What happened the last time? Did people leave?

Secretary (East): No, they didn't leave actually. They all stayed on. So, it is quite possible that many of them may decide to stay on. We don't know; we are ascertaining from the associations and the Gurudwaras/Temples. We are contacting them to find out who would like to leave. This is a general problem, which is affecting all nations, and as you may be aware there are people from all nationalities in large numbers in Lebanon. They are from western countries, Arab countries, European countries. These countries are also making arrangements to see if they can evacuate. Nobody is quite sure how it will work out because it depends whether ships can get there or aircrafts can get there, whether roads are passable or not. The information that we have is that so far only a few dozens of people or may be a hundred per country have managed to get out. We have also managed to get across about 50 people in two busloads today.

Question: Will the evacuation continue tomorrow?

Secretary (East): If there is a demand, yes we will continue with the evacuation subject to the availability of the buses. Today the buses were available but what the situation is like tomorrow I can't say.

Question: Which are the other countries that are evacuating people. Does that include UK, US? Are we in touch with them?

Secretary (East): We will be touch with them also. But in the first instance we are in touch with the Israelis because they are controlling the situation and we would need their cooperation to ensure that the convoys or the ships or any aircrafts that we send there are not attacked. When we sent these two buses from Lebanon to Syria we had given the coordinates to the Israeli side including the details about buses, their numbers and people who were traveling. So they facilitated. We also got confirmation from the Israeli side that they have crossed over into Syria safely.

Question: Have the Israelis regretted yesterday's incident?

Secretary (East): Yes, they have regretted that. That is orally what we have heard from them.

Question: So far how many families have...

Secretary (East): I was just going to give you those details: from the Indian Embassy officials' families we have 26 people - the wives and children of our staff members and officers, and from the Indian community we have 6 families. If you want I have the names. They are: Mr. and Mrs. Sanjeev Agrawal and family, Mr. and Mrs. Dipen Modi and family, Mrs. Nirmala Fernandes and family, Mr. and Mrs. Rohit Garg, Mr. and Mrs. Ahmed and family, Mr. and Mrs. Francis and family. The Lebanese government did provide an escort up to the Lebanese border.

Question: Is there any plan to move out all the staff from the Embassy?

Secretary (East): At the moment no, because we have to have our staff there to take care of the thousands of Indians. They may have problems; they may want to move out. So at this point there is no plan to evacuate the staff.

F F F F F

317. Media briefing by Official Spokesperson on the situation in Lebanon.

New Delhi, July 19, 2006.

Official Spokesperson: ...an update on the issue of possible evacuation of Indians from Lebanon, on which we have been getting several questions. As you know there are four Indian navy ships, which should be reaching Lebanese waters right now, and they will be berthing in the harbor as soon as they get place. As you can appreciate, there is considerable congestion building up there. So it might not be immediate, but hopefully soon enough—over the next day or so, they should be in position. And then, they will be moving the people who would want to leave the country. There are about, by present counts, a thousand people, and they will be moving them. You may well ask me if they will be moving them directly into India or somewhere else. I cannot tell you at the moment, but if the numbers remain at 900-1000, it is quite possible that the ships would bring them directly back to India. However, if the numbers are more, then like other countries, there is a possibility that we would be doing the shuttle to Larnaca in Cyprus, from where eventually an airlift would be organized.

Of course, other countries such as Nepal, Sri Lanka—there are requests from them for their citizens also to be put on the ships and that also, space permitting, will be done. This is the update on that issue.

Question: Is India applying enough diplomatic pressure to facilitate the docking of our ships?

Official Spokesperson: All diplomatic steps necessary for ensuring that our ships are given a berth under safe conditions have been taken.

Question: what are the specific steps?

Official Spokesperson: Whatever is necessary. We have to talk to the two countries involved, and that is being done.

Question: What specific steps have been taken by the Indian government to ensure the safety of the remaining Indians?

Official Spokesperson: the Indian government is not in a position there to take steps to ensure the safety of the people. We have issued an advisory to the people who are there, for instance, in South Lebanon, that they should move from there, and many of them have moved. It is an evolving situation, and the hostilities are taking place there. Naturally it is a

dangerous place, so people who are wanting to move, we are facilitating (their movement). Some people have already moved via Damascus, and now these ships have reached the place.

Question: So one would presume that the others who are there will not want to move?

Official Spokesperson: It is difficult to predict, because it is an evolving situation; it depends which direction the situation takes, what perception the people there have of the danger levels.

Question: Is there any proposal to withdraw the peace troops which are there?

Official Spokesperson: There are UN peace troops, so this is something that the UN has to take care.

Question: Apart from Sri Lanka and Nepal, has any other country asked for assistance?

Official Spokesperson: So far, I only have these two countries on my brief.

Question: Have we contacted the Syrian government to get them via Syria?

Official Spokesperson: As I said, some people have already come via Syria. About 100 people or so have already come on the highway from Beirut to Damascus, and have left.

Question: You said the ships can take only about 800-1000 people. Considering the number of Indians there, will that be adequate?

Official Spokesperson: I just said that this is the capacity of the ships; if the numbers increase, then we are planning to do a shuttle to Larnaca in Cyprus, from where an airlift will be organized. There is only a certain kind of ships which can go there, through the Suez Canal.

Question: There is a talk about international stabilization force. What is our view on that?

Official Spokesperson: This is a very rapidly evolving situation, and when there are some matters of concern to us, or matters in which we can contribute, to the international community's thinking on the subject, then we will.

318. Media Briefing by Official Spokesperson on the evacuation of Indian nationals from Lebanon.

New Delhi, July 20, 2006.

Official Spokesperson: We will now brief you on Lebanon, and I will invite Admiral Chauhan from Naval Headquarters to also join us, in case you have any questions later on the specific technical aspects of the operation.

Official Spokesperson: The evacuation of Indian nationals from Beirut by INS Mumbai commenced earlier today. Approximately 700 Indian nationals, some Nepali nationals and a few other nationals were taken in buses arranged by the Indian Embassy to Beirut port and are boarding the naval vessel.

The evacuation follows the Advisory issued by the Government of India to all Indian nationals in Lebanon to contact the Indian Embassy in Beirut in view of the evolving situation in Lebanon. Approximately 1,000 Indian nationals had contacted the Embassy for assistance to leave Lebanon. Most of them are leaving by INS Mumbai. Today's evacuation by INS Mumbai is one of the largest single evacuation operations from Lebanon carried out during the current crisis.

The INS Mumbai is scheduled to depart this evening from Beirut and is likely to reach Larnaca in Cyprus by early Friday morning. The High Commission of India in Nicosia in consultation with the Cyprus authorities has made arrangements for the evacuated Indian nationals to be moved from the port to the airport from where Air India aircraft will bring them back to India.

The Embassy of India in Beirut continues to receive requests for evacuation from Indian nationals and is processing them in consultation with the local authorities. The evacuation operations will continue in the coming days as required.

Question: The Indian nationals who were evacuated from within Israel...

Official Spokesperson: I don't have any information on Israel. What I do have is that our Embassy in Israel is in touch with nodal persons in the Indian community, and getting their feedback. There has not been any request for assistance so far.

Question: Can all the 1000 evacuees be taken on in the INS Mumbai?

Admiral Chauhan: No, all of them can't embark on INS Mumbai but the four ships put together in a single wave can lift about a 1000 odd personnel and if there are more than that number then obviously we will run a series of shuttle services so as to be able to disembark them and return.

Question: So today how many people will be lifted?

Official Spokesperson: Today we are expecting 700 people...

Admiral Chauhan: Yes but this will keep on changing. INS Mumbai will take the largest number in any case, because she is one of the largest ships and has a through-deck. INS Shakti which is a tanker can also absorb a largish number, but INS Shakti being a tanker will have a harder time berthing alongside. So, the next proposal is for us to send in INS Brahmaputra tomorrow morning and continue with the process of disembarkation. We don't want to put more than one ship alongside at any given time because the period of time the ships are alongside reflects their larger risk factors.

Question: Why did it take so long for the Navy to send the ships?

Admiral Chauhan: I am quite surprised at the question. Of the reactions that were possible, the Indian naval reaction was about as quick as you can get. Remember that the ships were on deployment in any case, as you quite correctly say. But the Navy will be a subset of Government orders. We do anticipate trouble breaking out in these troubled times in many parts of the world. The ships were on overseas deployment in the Eastern Mediterranean had already transited half way down the Suez Canal, and were at Great Bitter Lakes when they were told to turn around and go back. So there is no way you can move them faster in terms of time.

Question: Can you elaborate on the risks that you mentioned?

Admiral Chauhan: Yes, there are two kinds of risks: one is simply the fact that a large number of warships and merchant vessels of various kinds milling around in a relatively close area, and second as day gives way to night, obviously the risks of navigation themselves increase. The disembarkation of the personnel requires that the ships finally unberth from their existing berths alongside the jetty. This is an operation, which at night

in a port is best avoided when there are a large number of other movements taking place. So a large chunk of the risk is really in navigation terms. In so far as risks of military nature are concerned, at the moment the ships themselves are pretty well prepared and force-protection that are in-force alongside become easier to effect when the ships are actually at sea, because it is at sea that you can utilize the mobility that you actually possess.

Question: Does safe evacuation involve a certain degree of coordination with Israel?

Official Spokesperson: As I told you yesterday, we have taken the necessary diplomatic steps to be in touch with the countries involved.

Question: Have there been any more requests for evacuation since yesterday?

Official Spokesperson: The figure I gave you yesterday was 900. Today the figure I am giving you is a 1000 requests out of which 700 are in the process of being evacuated. And I also said that our Embassy is continuing to receive requests, so it is an evolving situation and it is difficult to give an exact figure at any particular moment.

Question: Have you received requests from other nationals also?

Official Spokesperson: Well, primarily Indians. Although we expect that others will come in, but primarily the majority of people who are addressing the Indian Embassy are Indians.

Question: The Indians that were taken by road to Damascus, are they still there?

Official Spokesperson: To Damascus, it has not been a one-block-movement. They have been going in ones and twos. There are some people who have reached, some people who have moved on. There is not one major movement for Damascus.

Question: Any further casualties in the Lebanon crisis?

Official Spokesperson: No; there were three people injured. One of them has been picked up by our staff car from our Embassy in Damascus , he is being taken to Beirut, from where he will join the sealift. Two others are currently hospitalized and are expected to be discharged in the next 3-4 days, and are expected to leave via Damascus.

Question: Were these people injured in the Israeli bombings?

Official Spokesperson: Yes, there was a bombing of the Maliban glass factory in the Bekaa valley.

Question: Can you give us an idea about how the berthing was done by the ships? I am asking this because it is a war-zone and there would be a shortage of port staff. So how were the formalities done? Did you do it yourself, or did you take local help?

Admiral Chauhan: Actually all three. It is true there was a shortage of port staff, it is true that there was a war-zone declared around the area and the Mumbai prior to berthing would have sent a contingent ashore both for force protection measures to secure the jetty in the immediate area plus to assist in the berthing. So Mumbai wasn't a traumatic experience, but it required all three steps to be taken i.e. the port, the navy and the assistance by the Embassy.

Question: You said that the ships can take only 1000...

Admiral Chauhan: I said that a 1000 people could be moved in a single wave, that means all four ships put together would be able to lift a 1000. This is a round figure; if there are 1100, we will take them. It will just make it more difficult for the administrative conveniences which are already going to be stretched, to be extended to all 1000, and as you move from 1000 upwards, it would become progressively more uncomfortable.

Question: Right now, it is only INS Mumbai...?

Admiral Chauhan: We are berthing only one ship at a time in that region. Today, it is INS Mumbai, tomorrow we expect it will be INS Brahmaputra. Remember that the operations themselves are being controlled locally by the western fleet commander Rear Admiral Anup Singh who is on the scene and naturally is in a better position to actually decide the pitch of the nut and the pitch of the bolt, if you don't mind my saying so.

Question: How many days do you think it will actually take to evacuate all 1000?

Admiral Chauhan: We have been receiving extraordinarily good assistance from the Embassy, and the Embassy has been doing wonderful job vis-à-vis the port authorities. At the moment we anticipate being able to put the next ship alongside tomorrow, and depending on how, as has already

been explained the situation is somewhat dynamic, as the numbers increase, the next ship will then be programmed to go alongside the next day. We are only doing the disembarkation, for the reasons that I have already stated, by day.

The next day the Official Spokesperson gave an update on the evacuation and said the following:

“the INS Mumbai reached Larnaca this morning in Cyprus with over 600 evacuees. These people are being brought back through Air India planes back to India. These planes are likely to land at Chennai and the second one at Mumbai and possibly on to Delhi depending on how many belong to which city. Our embassy in Beirut is continuing to receive requests for evacuation and this operation is therefore likely to continue over the next few days. When we have the next movement we will tell you.”

Question: Of the 600 evacuees, how many are foreign nationals? Has the Nepalese government formally requested India to help in the evacuation?

Official Spokesperson: Out of the 600 odd that were moved on the INS Mumbai, I have confirmed figures that there were six Nepalese. There may have been 1-2 others from different countries, but I do not have a confirmed figure. Yes, we have received a request from the Government of Nepal seeking assistance in evacuating Nepalese citizens from Lebanon and bringing them back. We will render whatever assistance we can. Six people have already been taken on the ship.

Question: What is the total number of people who have asked Indian embassy for evacuation?

Official Spokesperson: This is a very difficult question at a given moment of time as it is a fast evolving situation. I think going by the counts in the morning there are at least 400 odd requests but these are coming in all the time.

Question: When will be the next round of evacuation?

Official Spokesperson: In the next few days. This depends upon a variety of logistical factors on the ground. So it is difficult to give a date and time as to when the ship will actually be in a position to take on people when the processes that are required to be completed will be completed.

Question: Meantime has any other Indian been wounded or dead?

Official Spokesperson: As I told you yesterday, an Indian national Devesh Kumar had been missing. Now we have been informed that he is dead.

Question: Are the three naval ships still berthed at the Beirut harbour?

Official Spokesperson: The ships are at hand but they actually have to move in to berth to be in position to pick up passengers. That obviously happens when they are ready to get the berth and people are ready to be moved.

Question: Is India planning to protest the death of its citizen to the Government of Israel?

Official Spokesperson: At the moment we have just got news. This is about people in a hostile environment and of a person who has been killed as a result of the bombing. This is not exactly a diplomatic incident. It is a very, very unfortunate incident and a person has lost his life. Let me not say anything now more than the facts of the case. If there is anything further on the lines that you have suggested and mentioned in your question, I will get back to you.

Question: Is he a glass factory worker?

Official Spokesperson: Yes.

Question: Will India hold government of Israel liable for.....

Official Spokesperson: I think I have just answered that question to the best of my ability at the moment. I am reporting to you the fact of an unfortunate death of an Indian citizen in a situation of war. Let us wait to see what happens in terms of completing the formalities of his death. What you are talking of is largely a political question. I do not want to get into this question at the moment.

Question: Do you have any antecedents of this person who died?

Official Spokesperson: No, I don't have any details. I just have the name. One must understand it is a very difficult situation on the ground. Indian citizens are spread all over the country in thousands. Most of them are not even registered with the embassy. The communications are very difficult. We are trying to get whatever information we can at the moment. The embassy is completely besieged with the evacuation effort.

Question: By when will the aircrafts reach India?

Official Spokesperson: Pretty soon. I don't have the exact schedule but I am sure that Air India or Ministry of Civil Aviation will be able to give you this information. They were already boarding in the afternoon.

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319. Media Briefing by Official Spokesperson on the evacuation of Indian citizens from Lebanon.

New Delhi, July 25, 2006.

Official Spokesperson: Good evening everybody, I would like to welcome you to this briefing on the evacuation of Indian citizens from Lebanon. I have with me like on the last occasion, Rear Admiral Pradeep Chauhan of the Indian navy and Mr. Bharat Chaturvedi from Air India to help us respond to queries relating to their area of work which you may have.

I begin by giving you a full update on the situation and then we can move to specific queries.

We have kept you informed as we have gone along of the well-coordinated efforts of the various agencies of the Government which have been mounted to ensure the safety and welfare of Indian citizens in Lebanon in the face of deepening crisis in that country and to ensure the safe evacuation of all our nationals who have desired to leave Lebanon. These efforts have been monitored at the highest levels in the government. Regular meetings have been taken by the Cabinet Secretary to keep the fast evolving situation under close review.

What has happened is that due to the efforts of various wings of the government acting in unison, a 'sea-air corridor' has effectively been set up for the benefit of Indian citizens leaving Lebanon. This corridor has proved to be extremely useful in view of the fact that the air fields in Lebanon have remained out of operation and the routes leading to Damascus have not been reliable on account of aerial bombings. Except for the evacuation of around 100 Indian nationals via Damascus at the beginning of the crisis, the major evacuation effort has involved the movement by Indian Naval ships from Beirut to Cyprus and air lifting from there to India by Air India. Besides the Ministry of External Affairs, the other agencies principally involved in this effort have been the Indian Navy, Air India and the Ministry of Overseas Indian Affairs.

As far as numbers go, a total of 1383 Indian nationals were evacuated by ship from Lebanon, from Beirut to Larnaca in Cyprus before being flown back to various destinations in India. In addition 47 Nepalis, 58 Sri Lankans and 8 Lebanese were also evacuated making a total of 1496 evacuated in the current operations.

In the first phase of the evacuation on July 21, 2006 a total of 599 Indians, 6 Nepalis, 3 Lebanese and 1 Sri Lankan were evacuated. In the second phase, on July 24, 2006 a total of 784 Indian nationals along with 41 Nepalis, 57 Sri Lankans and 5 Lebanese were evacuated. Arrangements for sending the evacuated Indian nationals to their final destinations from the initial arrival points within India at Mumbai, Chennai and Delhi were made by the Ministry of Overseas Indian Affairs.

As I said earlier, the entire operation has been the result of well-coordinated functioning of various organisations besides our Missions in the region, especially those in Lebanon and Cyprus which have been spearheading the diplomatic efforts and effectively liaising with the concerned local authorities to ensure that the necessary authorizations and other support which has been forthcoming very promptly from the authorities of Lebanon, Cyprus and Israel. We would also like to record our deep appreciation of the cooperation that we have received from the countries concerned in this regard. This entire exercise has been particularly difficult given the fact that our Missions in this area are very short-staffed. The Embassy in Beirut continues to be in regular contact with the Indian nationals who are still in Lebanon through various Indian organizations and our Naval ships also remain in the region for the present.

Tomorrow, we expect to evacuate another 300 Indian citizens and possibly some others, but we donot have details. Further evacuation would be carried out as necessary given the situation on the ground. So this was just an update to tell you how the various agencies have worked together and how not only Indian citizens but citizens from Nepal and Sri Lanka who have requested for help have also been evacuated through this air-sea corridor that has been set up. This help will continue to be extended as required.

Question: Can you give us more details of the air-sea corridor?

Official Spokesperson: As you know various ships have been working from Beirut to Larnaca and thereafter Air India has been carrying the evacuees. That is what the air-sea corridor is about. You do not have a

physical situation there but you have a movement by ship from point A to point B and then a well-coordinated air lift from point B to point C. So effectively we have obviated the need to use Lebanese airports which are not functional in any case, as well as the road routes to Damascus.

Question: At your last briefing I had asked you about the death of an Indian national who was killed in an Israeli air strike. Have you raised this issue at all with the Israelis?

Official Spokesperson: I am glad that you raised this question. I do not know if this information you already have about the body of the deceased that has come. The evacuation of the body was via Damascus and the Mission there assisted in embalming, legal formalities and transport. As far as the three injured persons are concerned, the details are: the first is Ms. Kalpana Singh Yadav, lightly injured and transported by the staff car of the Embassy of India in Damascus from Zahle (in Lebanon) to Beirut on July 20 and evacuated by INS Mumbai to Larnaca and onward by special flight to India on July 21. The second person is Mr. S.K. Viridi who was injured in his leg, was operated in Lebanon and is presently admitted at the Italian Hospital, Damascus, with the help of the Embassy and he is due to fly back by Syrian Airlines directly to Mumbai directly for his onward movement to his home town Bangalore. The third is Mr. Dilip Kumar Manna, presently in coma and the doctors have advised against any physical movement for the present and further action will depend on his physical condition. Mr. Manna is being attended to in a place called Zahle in Lebanon by fellow employees of the Maliban glass factory.

Question: When is Mr. Viridi flying back?

Official Spokesperson: I do not have a date but his flight is Syrian Airlines Flight No. 503.

Question: Two Indian soldiers were injured earlier. Do you have more details on them?

Official Spokesperson: We could get you those details because we did have them in the beginning of the discussions. Essentially, the UNIFIL is taking care of them.

Question: What about compensation for them?

Official Spokesperson: All this is covered by UN Peacekeeping operations, so they are looked after.

Question: Have we announced any compensation for the Indian citizen who was killed?

Official Spokesperson: I have not yet seen anything.

Question: What diplomatic efforts are being made to bring this crisis to an end?

Official Spokesperson: This is a crisis on which the entire international community is looking at and we have already made our diplomatic stand clear in our earlier statements.

Official Spokesperson: If there are no other questions, I will request Admiral Chauhan if you have anything to add from your side.

Rear Admiral Pradeep Chauhan: Not really, except to say that the ships will be back on station at Beirut tomorrow. At this very moment they are off Larnaca and we anticipate being able to lift the requisite Indian citizens plus whoever else needs to be lifted across and bring them across to Larnaca and maintain the sea segment of the corridor. The situation will continue to be reviewed dynamically.

Question: How many ships have you stepped in?

Rear Admiral Pradeep Chauhan: We had four ships and we continue to have four ships in the area. That is a largish number compared to most of the other navies.

Question: Tomorrow which ships will be able to get berthed?

Rear Admiral Pradeep Chauhan: Tomorrow, we will start with Mumbai and as the numbers sort themselves out, either Betwa or Brahmaputra will be used. As I mentioned the last time, the actual details of which ship goes in and what sequence is in function is a decision to be taken by Rear Admiral Anup Singh who is the Fleet Commander and is the man on the scene.

Official Spokesperson: Anything from your side, Mr. Chaturvedi.

Mr. Chaturvedi: Nothing much to add except that we are expecting two aircrafts day after tomorrow, the 27th of July which are on stand by. Subject to whatever the information is, the passengers from Larnaca will be transported back to India. Depending on numbers, they (aircrafts) will go either to Chennai or to Delhi. Thank you.

320. Suo Motu Statement by Prime Minister Dr. Manmohan Singh in Parliament regarding the situation in Lebanon.

New Delhi, July 27, 2006.

Hon. Members are aware of the current situation in Lebanon. Taking into account the concern that Members may have on this score, I rise to apprise the House of the current situation and our responses to the evolving situation, especially the efforts made by us to aid and assist Indian nationals who have become victims of the escalating crisis in Lebanon.

West Asia is our extended neighbourhood and tensions in that region affect our security and our vital interests. We are seriously concerned about the escalation of the conflict between Israel and the Hezbollah extending across the Lebanon-Israel border. These developments have inflamed an already tense and delicate situation in the region.

On July 12, India had condemned the abduction of two Israeli soldiers by the Hezbollah cadres and called for their immediate release. Simultaneously, we had condemned in the strongest possible terms the excessive and disproportionate military retaliation by Israel. We had particularly expressed concern that the actions of the Israeli Defence Forces had resulted in the killing and suffering of innocent civilians, including women and children, that is likely to exacerbate an already tense situation. We also condemn the attacks that led to the deaths of 4 UN Observers in Lebanon.

India had also condemned the wholly unjustified arrest and continuing detention of Ministers of the Palestinian National Authority and members of the Palestinian Legislative Council. There can be no justification whatsoever for taking such action against the duly elected representatives of the Palestinian people.

The virtual destruction of a country which has been painfully rebuilt after two decades of civil war, can hardly be countenanced by any civilized state. In response to the appeal issued by the Government of Lebanon, I would like to inform the House that the Government has decided to contribute Rs. 10 crores to humanitarian and relief efforts to rebuild Lebanon.

In our view, there should be an immediate ceasefire so that the destruction of Lebanon is ended and humanitarian assistance could be provided. All sides must immediately halt the violence and give diplomacy a chance. Diplomacy to succeed should have a long-term solution that

involves and addresses the legitimate concerns of all parties in the region, leading to a comprehensive and negotiated solution.

The safety and welfare of Indian nationals who were residents in that country has been our foremost concern. On July 17, anticipating a further deterioration in the security situation an advisory was issued to all Indian nationals, particularly those living in Southern Lebanon, to take suitable precautions regarding their personal safety. Consultations were initiated to work out solutions on how to facilitate the return of those of our nationals in Lebanon desirous of doing so. All Indian nationals have been advised to remain in contact with the Embassy of India in Beirut, who has been instructed to render necessary advice and updated information on the evolving situation.

Since Beirut airport remained closed and the land route between Beirut and Damascus was unsecure, it was felt that the best way to evacuate Indian nationals was through Beirut port. Four Indian Naval ships INS Mumbai, INS Brahmaputra, INS Betwa and INS Shakti which were in the Red Sea area, were redirected to Beirut to assist in the evacuation.

The first evacuation effort was undertaken on July 21, 2006. 598 Indian nationals, and as a humanitarian gesture, nationals from Nepal, Lebanon and Sri Lanka, were evacuated by INS Mumbai from Beirut to Larnaca in Cyprus. From Larnaca, Air India arranged two aircraft to ferry the evacuated Indians to Mumbai and Chennai.

A second evacuation out of Beirut was undertaken on July 24. This comprised 887 people including 784 Indians, 41 from Nepal, 57 from Sri Lanka and 5 Lebanese nationals. All Indian nationals, and nationals from Nepal and Sri Lanka were air-lifted from Larnaca to India and have arrived safely. A third phase of evacuation was completed on July 26 bringing the total number of those evacuated to 1870, including 1687 Indian nationals.

It is our estimate that approximately 12,000 Indian nationals were in Lebanon at the time of the outbreak of hostilities. They are mostly semi-skilled and unskilled workers who were working in farms and factories. Of these, a large number have not indicated their desire to leave Lebanon. Some of them appear to have decided to stay back, others may have been unable to reach Beirut because of the disruption in communications. We have so far received confirmation of the death of one Indian national in an air strike on a glass factory in Bekka valley.

Our Embassy continues to function in Beirut, and is in touch with various organizations and agencies with which Indian nationals were associated. For the time being, our naval vessels will continue to be in the region in case they are required to be used in the service of our nationals. Any further evacuations will be planned taking into account the ground situation in Lebanon.

We also have a contingent of 672 Indian officers and soldiers as part of the UN peace-keeping forces in Lebanon (UNIFIL). Our peacekeepers are safe, though currently confined to their barracks.

I would like to place on record appreciation for the efforts of various Ministries, Departments and agencies of Government for the swift and successful manner in which they have responded to the task of helping our fellow citizens in distress.

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321. Statement by Official Spokesperson on the situation in Lebanon.

New Delhi, July 30, 2006.

India strongly condemns the continued irresponsible and indiscriminate bombing of Lebanon by the Israeli military, ignoring calls for restraint. Particularly outrageous is the bombing this morning of a building in Qana in south Lebanon, which has resulted in the deaths of dozens of innocent civilians, mostly women, children and old people who had taken shelter there. India expresses its deep condolences to the Government and people of Lebanon over this tragic incident.

We also condemn the air strikes on UN peacekeeping troops deployed on the Israel-Lebanon border, which has resulted in two Indian soldiers getting wounded yesterday. It will be recalled that earlier an Indian soldier had also been hurt, and four UN peacekeeping observers had been killed as a result of Israeli bombing. We demand that such targeting of UN peacekeepers is stopped forthwith.

India is deeply concerned over the escalation of this conflict, and reiterates its call for an immediate and unconditional ceasefire, so that further loss of life and property can be prevented and humanitarian aid can

reach the affected people. A ceasefire should be followed by negotiations leading to a peaceful and comprehensive solution to the problems of this region that would take into account the legitimate interests and grievances of all parties.

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322. Resolution Adopted by Lok Sabha (Lower House of Indian Parliament) on 31st July on Situation in West Asia.

New Delhi, July 31, 2006.

This House unanimously expresses its deep concern over the growing tension in India's extended neighbourhood of West Asia that has exacerbated an already complex and delicate situation in the region. It unequivocally condemns the large-scale and indiscriminate Israeli bombing of Lebanon that has been under way for many days, which has resulted in the killing and suffering of large number of innocent civilians, including women and children, and caused widespread damage to civilian infrastructure in Lebanon. This House conveys the deepest condolences, sympathy and support of the people of India to the people of Lebanon at this difficult time. The people of India are ready to make their contribution in providing humanitarian relief to the victims of this tragic conflict.

Deeply concerned over the escalation of this conflict which affects India's security and other vital interests, this House calls for an immediate and unconditional ceasefire, so that further destruction of Lebanon is prevented, and urgently needed humanitarian assistance can reach the affected people. We urge all parties to the conflict to eschew violence and return to the path of dialogue. This House is of the firm view that lasting peace and security in the region, which is a matter of interest and concern not only to the countries of the region but to the whole world, can be achieved only through a negotiated and comprehensive solution to the problems of this region that takes into account the legitimate interests and grievances of all the parties concerned.

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323. Media Briefing by Official Spokesperson on the situation in Lebanon.

New Delhi, August 1, 2006.

Question: The cessation of air strikes by Israel could last for only two hours. In this context, what is the Government of India doing other than issuing statements and sending medicines?

Official Spokesperson: The Indian Government like the rest of the international community is deeply concerned by these developments. We have issued very clear and strong statements, including in the Parliament. I would refer you to the Defence Minister's statement as also a resolution of the House which has been passed. That is an expression of India's concern. We have already taken all adequate action that is required to ensure the safety and secure return of all the Indians who wanted to come out of Lebanon and the affected areas.

Question: What is India doing diplomatically? Is India in touch with any of the P-5 or the UN?

Official Spokesperson: We are a member of the United Nations as you are aware. We are part of the discussions that would be taking place in the United Nations. We are naturally not part of the UN Security Council so we cannot be part of the discussions there. I understand your question, but you must also understand the difficulties in formulation of an answer to that question. There is a hostile situation and the entire international community is deeply concerned. There are some immediate countries who are trying to handle the crisis. There are other countries which are building up international opinion. Our statements and diplomatic efforts are aimed towards that.

Question: MEA statement has condemned the attacks on Hezbollah as well as Lebanon, while the resolution in Parliament does not condemn the attack on Hezbollah? Is that a deviation in policy?

Official Spokesperson: Ministry of External Affairs is very much a part of the Government of India. Government of India has one considered policy. The situation is evolving. The statements that you see coming out from day-to-day, if they differ in nuance they only reflect the reality on the ground.

324. Press Release of the Ministry of External Affairs announcing humanitarian aid to Lebanon.

New Delhi, August 19, 2006.

Prime Minister of India announced on 27th July 2006 in Parliament, humanitarian aid worth Rs. 10 crores for the relief efforts to rebuild Lebanon.

The first batch of India's aid to Lebanon is being airlifted by Indian Air Force plane today. The aid comprises tents and blankets which are urgently required for hundreds of displaced citizens of Lebanon. The aid is a gesture of solidarity by the Government and the people of India with the Government and people of Lebanon and a measure of India's concern for the people of Lebanon.

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PALESTINE

325. Press Release on the Government of India's humanitarian assistance to Palestine.

New Delhi, May 13, 2006.

India is seriously concerned at the hardships and sufferings of the Palestinian people as a result of the evolving situation in Gaza and the West Bank. In response to a request from the Palestinian authorities, and in keeping with India's traditional and consistent policy of extending sympathy and support to the people of Palestine, the Government of India has decided to give humanitarian assistance worth Rupees 100 million to the Palestinian people in order to alleviate the difficult situation in which the Palestinian people find themselves. The assistance will be primarily in the form of medicines and medical supplies as requested by the Palestinian authorities. Our Representative in Ramallah is in touch with the Palestinian authorities to work out the detailed arrangements in this regard¹.

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1. The first consignment of life-saving medicines, under the humanitarian assistance programme for the people of Palestine was handed over to the Palestinian Presidency by the Indian Representative to Palestine in Ramallah on August 10, 2006. This is part of the medical aid worth rupees 10 crores announced by Government of India following developments in Gaza and the West Bank. Dr. Younis Al-Khatib, Advisor to the Palestinian President Mahmoud Abbas on health affairs who received the aid was highly appreciative of the timely supply of desperately needed life-saving drugs and profusely thanked the Government and the people of India for their unwavering support to the Palestinian people and lauded India's firm stand with the Palestinians at this critical time. The solidarity of the Government of India with the Palestinian people and to the Palestinian cause was reiterated on the occasion.
The second batch of Medicines weighing 8500 Kgs was handed over to Dr. Rafiq Hussein, Chief of Cabinet of President Mahmoud Abbas in Ramallah on 28th September by India's Representative to Palestine. The medicines consisted of anti-cancer drugs, drugs to treat cardiac arrest, hypertension, shock and depression, skin, bone and internal infections, kidney failure, coma, Parkinson disease, schizophrenia, pneumonia and respiratory infections and drugs to be used along with Radiotherapy, Chemotherapy. India reiterates on the occasion its unwavering and continued support to the cause of Palestine as symbolized by this gesture of solidarity with the Government and the people of Palestine.

326. Statement by Official Spokesperson on the killing of innocent civilians in Gaza by the Israeli Defence Forces.**New Delhi, June 12, 2006.**

India condemns the killing of innocent civilians, including women and children, in Gaza by the Israeli Defence Forces in an unprovoked attack on Friday. The end of the ceasefire and the escalation of tensions that this tragic incident has triggered could have negative implications for the already volatile and fragile situation in the region. We urge all sides to desist from starting a new spiral of violence and counter-violence. It is our firm conviction that there can only be a peaceful negotiated resolution to the Palestinian problem that results in the establishment of a sovereign, viable, independent State of Palestine living in peace and prosperity within secure borders in peaceful coexistence with Israel.

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327. Statement by Official Spokesperson on the arrest of Palestinian Ministers and Legislators.**New Delhi, July 20, 2006.**

India remains deeply concerned that Israeli Armed Forces have continued to maintain their large-scale operation mounted in West Bank and Gaza in Palestine in disproportionate retaliation for the abduction of an Israeli soldier. India condemns the wholly unjustified arrest and continuing incarceration of Ministers of the Palestinian National Authority and members of the Palestinian Legislative Council. There can be no justification whatsoever for taking such action against the duly elected representatives of the Palestinian people. We call upon Israel to release them immediately. We also reiterate our call for all parties to renounce violence and resolve their differences through peaceful means.

The next day the Spokesman referred to this question again and made the following observation:

I saw some report on a statement that I had made yesterday on the situation in Palestine and the arrests of Palestinian leaders. The reports seemed to argue that perhaps this was a question of too little too late. And the statement was made when they have already been freed. I just wanted

to clarify the fact that on the 28th of June, eight cabinet ministers of the Palestinian National Authority were arrested and 21 members of Parliament. On the 1st of July we had made a statement which regretted that Israel should have chosen to give a military response to the capture of the Israeli soldier rather than afford time and opportunity for diplomatic action to resolve the matter. During the ensuing weeks to my information only one to the Ministers Mr. Sameer Abu Eishah, Minister for Planning was released on 18th of July. So what we said yesterday and I would like to underline those words, was that India remains – and that means it is a continuing process – and we condemned the continuing incarceration of the Ministers. So I would like to put that statement in perspective given the facts on the ground and our earlier statement.

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328. Statement by Member of the Indian Delegation to the UN Iqbal Ahmed Saragdggi on Agenda Item 31: United Nations Relief and Works Agency for Palestine Refugees in the Near East at the 4th Committee of the 61st session of the UN General Assembly.

New York, November 1, 2006.

Please See Document No. 582

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329. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 32: Report of the Special Committee to Investigate Israeli practices affecting Human Rights of the Palestinian People and other Arabs of the Occupied Territories at the 4th Committee of the 61st session of the UN General Assembly.

New York, November 8, 2006.

Please See Document No. 587

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330. Statement by Deputy Permanent Representative at the UN Ajai Malhotra on Agenda Item 14: The Question of Palestine at the 61st session of the UNGA.

New York, November 30, 2006.

Please See Document No. 600.

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331. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the 10th Emergency session of the UNGA to discuss the Establishment of a Register of Damages Arising from Israeli's Construction of a Separate Wall in the Occupied Palestinian Territory.

New York, December 15, 2006.

Please See Document No. 608.

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SAUDI ARABIA

332. Interview of Prime Minister Dr. Manmohan Singh with the Saudi daily 'Okaz'

January 24, 2006

Question 1: The planned visit by King Abdullah to India in January is a high point in the recent upswing in Indo-Saudi relations. In fact, you were instrumental in reviving Saudi-Indian relations through your visit to Saudi Arabia in 1994 and subsequent meeting with the then Crown Prince Abdullah, which led to a resumption of dialogue and frank exchanges on difficult issues. What is your broad vision of the scope of this newly found relationship that is developing a strategic dimension, especially in the area of energy security?

Answer: India and Saudi Arabia are neighbours, united by the Arabian Sea. The bilateral relationship between India and Saudi Arabia is historic, nurtured and sustained by people-to-people exchanges over many centuries. As a result, the ties have acquired a multi-dimensional nature. They derive their strength from time-tested interaction between the two countries and the peoples. Regular visits at high levels impart a positive direction and impetus to our relationship. I had the privilege of calling on His Majesty King Abdullah, the then Crown Prince, when I visited Saudi Arabia in 1994. I was deeply impressed by his knowledge and by his regard for the people of India.

By taking full advantage of our complementarities and synergies, Saudi Arabia and India have the opportunity to create a strategic partnership in the field of energy, including through joint projects and mutual investments in our respective countries. I envision that our relationship would remain dynamic and broad-based, acquiring greater depth and diversity, with both countries actively cooperating in promoting peace, prosperity and security in the region.

Question 2: What are the difficult issues remaining in Saudi-Indian ties. What are the areas do you think that needs to be more explored. How do you view the importance of King Abdullah' visit to India since its his first visit abroad since taking over as the King of Saudi Arabia?

Answer: Islam is part and parcel of India's civilizational and cultural heritage. Therefore, we are very happy to welcome the Custodian of the

two Holy Mosques, King Abdullah, to India. We are honoured that he will be the Chief Guest at our Republic Day celebrations this year. Many years have passed since His Majesty King Saud bin Abdul Aziz had visited India in 1955. His Majesty King Abdullah's visit is long overdue and we are pleased it is taking place now. There remains an immense untapped potential in our relationship. It is in our mutual interest to explore all ways and means to develop and strengthen our multi-faceted ties. India welcomes greater investment by the Saudi business community in India as many new opportunities have opened up as a result of rapid economic growth, including in the key area of infrastructure development. India would be happy to share with our Saudi friends our experience in the knowledge economy, including in the field of Information Technology. The two sides could also benefit from strengthening educational, academic and cultural exchanges. The 1.5 million strong Indian community which has found a second home in the Kingdom has created durable, long-term linkages between our two countries. Using the fund of political goodwill existing between the two countries, I am confident that we will succeed in our joint endeavour to qualitatively upgrade and expand our relationship.

Question 3: King Abdullah's initiative has led to the recent declaration by the 57 nation organization of the Islamic Conference (OIC) of Islamic moderation and tolerance of other faiths. The declaration which was announced in the Islamic extra ordinary summit held in Makkah in December was aimed at countering extremism. Since India shares this same objective as well, do you envision a strategic partnership developing in the global war against terrorism?

Answer: India is home to people of many religions and faiths who live in peace and harmony, including the second-largest population of Muslims in the world. We have a tradition of moderation and tolerance that continues to be sustained by our secular and democratic polity, and the deep-rooted conviction of our people that this is the only way to ensure peace and stability in our country and ensure the welfare and prosperity of our people. We greatly welcome His Majesty King Abdullah's initiative at the OIC Summit to promote the cause of moderation and tolerance of other faiths.

India stands firmly against all forms of extremism. Lasting solutions to problems, be they political, economic or social, require understanding and sympathy on the part of all sides.

India has for long been a victim of terrorism and was among the first countries to call for enhanced international cooperation to combat the menace of terrorism. India participated in the Counter-Terrorism International Conference held in Riyadh in February 2005. We would like to join hands with Saudi Arabia to fight terrorism and extremism. The conclusion of the MOU on Combating Crime between India and the Kingdom of Saudi Arabia, which is close to finalization, would contribute to our efforts to combat this evil.

Question 4: Its said in some circles that India's strained relations with Pakistan have long impacted Saudi-Indian ties for various reasons. But now, with Indo-Pakistan relations breaking new grounds, do you envision a wider partnership involving the three countries, especially in the context of the OIC declaration?

Answer: India's relationship with Saudi Arabia stands on its merit and has its own importance, based on objective factors and mutual interest. India remains committed to living in peace and harmony with all its neighbours, including Pakistan. The interests of all the people in our region require that we cooperate in working together for our common welfare and development, and in cooperating sincerely in combating terrorism and extremism.

Question 5: With the positive atmosphere between India and Pakistan and the ongoing confidence building measures, are you optimistic that the Kashmiri issue can be resolved soon?

Answer: Bilateral relations between India and Pakistan have been improving steadily in the last couple of years. The dialogue process has been moving forward within the framework of the composite dialogue, which has completed two rounds and the third phase has just started. All outstanding issues, including Jammu and Kashmir, are being addressed through this dialogue.

Bilateral relations between two neighbouring countries cover a broad agenda and can move forward in an environment of mutual trust and confidence and an atmosphere free from terrorism and violence. We on our part are committed to doing everything that would further good neighbourly ties so that the people of India and Pakistan can work together to utilise the immense potential for human development and economic growth in our region.

Question 6: India has been known for its support for the Palestinian issue, however there is a feeling in some circles in our region that New Delhi is getting more closer to Israel. What is your comment?

Answer: India's relationship with Palestine is a historic one, going back to the days of our own freedom struggle, before India itself gained independence. We have consistently supported the struggle of the Palestinian people for their independence. India was the first country outside the Arab world to recognize the PLO as the sole and legitimate representative of the Palestinian people. India's interaction with Palestine and the Arab countries has grown considerably in terms of political, commercial and cultural interactions over the last few years. The Common Minimum Programme of our Government underlined its commitment to the Palestinian cause and an independent State of Palestine, and enhancement of relations with the Arab States. In international forums such as the UN and the NAM, the Government of India has maintained its well-known and traditional empathy and support for the Palestinian cause. Our position in support of a viable and independent State of Palestine, living in peace and prosperity within secure boundaries in peaceful coexistence with Israel, remains unshaken. President Mahmoud Abbas's visit to India last year was an important landmark in our close, friendly and steadily expanding relations with Palestine.

Our relations with Israel do not affect or impact on our relations with Palestine or any other Arab State in any way.

Question 7: How do you view the situation in Iraq, from your view who is responsible of bloodshed of Iraqi nation?

Answer: India stands for early restoration of sovereignty to the Iraqi people and the right of the Iraqi people to determine freely their political future and control their natural resources. We condemn the senseless acts of terror in Iraq. The elections held in January 2005, the constitutional referendum in October 2005 and elections in December 2005 will help in this process. We hope a broad-based inclusive government representing all sections of Iraqi society will be established on the basis of this election, and that peace and stability will return to the country. India has traditionally enjoyed close and friendly relations with the people of Iraq. We remain committed to making our contribution to the reconstruction of the country and to the re-emergence of a peaceful, stable united and prosperous Iraq.

Question 8: King Abdullah has suggested the formation of the

international center to fight terrorism. How do you find this suggestion, what is your view on terrorism?

Answer: India has always unequivocally condemned terrorism in all its forms and manifestations. There can be no justification whatsoever for any acts of terrorism, wherever they may occur. The international community must have a policy of zero tolerance towards acts of terrorism. India had introduced a draft Comprehensive Convention on International Terrorism (CCIT) in the United Nations as far back as in 1996. The Outcome Document of the World Summit held in New York in September 2005 has called upon the member states to conclude the CCIT during the current session of the UN General Assembly. Discussions on this issue have been going on and we hope that all member states of the UN would make concerted efforts to achieve this objective.

We appreciate the initiative of the Kingdom of Saudi Arabia to convene an International Counter Terrorism Conference in Riyadh in February 2005, in which India had participated. We have conveyed our support to His Majesty King Abdullah's proposal for setting up an International Counter Terrorism Centre as a follow up of the conference.

Question 9: There are some 1.5 million Indians working in Saudi Arabia, all of them not quite Non Resident Indians but instead Overseas contract Workers (OCWs) for whom many of the benefits announced for NRIs don't apply. In 2004, at the 2nd Pravasi Bhartiya Divas, then Prime Minister A B Vajpayee had announced a 15 % supernumerary reservation quota in all the Government colleges and institutions- except medical colleges- all over India for the children of Gulf based Indians. However, at the 2005 Pravasi Bhartiya Divas, your Government made no mention of this reservation. When will this reservation come into effect? Does your government have any plan to address the various issues of Gulf based Indians separately from those of NRIs?

Answer: The millions of Indians who work in Saudi Arabia and other parts of the Gulf are a vital and most important link between India and the countries of this region. Not only do they contribute to the growth and prosperity of their host countries but, equally they make a huge contribution to the Indian economy through their remittances, and act as a valuable catalyst for promoting business, cultural and people-to-people contacts between the Gulf region and India. They constitute a unique category of Indians living abroad, to whose needs and welfare India gives special attention. We greatly appreciate the hospitable treatment extended to

members of the Indian community. We greatly appreciate the hospitable treatment extended to members of the Indian community by the Government and people of Saudi Arabia.

The Government of India has reserved one-third of the 15% supernumerary seats across different disciplines in educational institutions for children of NRIs in the Gulf and South East Asia at the fee applicable to resident Indians. Necessary instructions and notifications have already been issued by Ministry of Human Resource Development, University Grant Commission and AICTE respectively. Other areas where measures are being taken for their welfare include the provision of easier, affordable and efficient remittance facilities; a more liberal compulsory insurance scheme; streamlining and modernizing emigration processes; initiatives to develop workers' skills; starting budget flights for the Gulf region. A few days ago, at the 4th Pravasi Bhartiya Divas, I had announced that the right to vote will be provided to the Gulf Indians in the near future. This proposal is currently at an advanced stage of consideration by the Government.

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333. Speech by President Dr. A. P. J. Abdul Kalam at a banquet in honour of the Custodian of the Two Holy Mosques King Abdullah bin Abdul Aziz Al-Saud.

New Delhi, January 25, 2006.

Your Majesty The Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz Al-Saud, of the Kingdom of Saudi Arabia, Distinguished Guests, Ladies and Gentlemen,

On behalf of the Government and people of India, it is a matter of great privilege and honour for me to extend a very warm welcome to Your Majesty and to the distinguished members of your delegation on your first State visit to India. Your visit marks a significant step in strengthening the age-old ties of our friendship and brotherhood. We have been eagerly looking forward to your visit and I am particularly happy to receive Your Majesty, as a representative of a people with whom India has interacted since times immemorial.

Your Majesty, it is an honour for us that you have chosen India as one of the first countries to visit after you ascended the throne of the Kingdom

of Saudi Arabia. It is nearly 50 years since a Saudi King visited India and we are truly privileged to have you amongst us tonight. It signifies the importance and love that you have for India in your heart.

Your visit is a long awaited one and it assumes significance in the context of the momentous and far reaching changes taking place in the world and in our region. It also signals a new impetus to our political dialogue and economic partnership.

The friendship between our two peoples goes back many centuries. Trade, culture, religion and philosophy have bound the people of our countries. Our two countries have given two great religions of peace to the world. It is a matter of deep satisfaction for us that the over 1.5 million strong members of the Indian expatriate community have found a second home in your Kingdom and continue to make a significant contribution to reinforcing our friendly ties. We deeply appreciate the support extended by Your Majesty to the wellbeing of the Indian community.

Your Kingdom constitutes an integral part of India's extended neighbourhood, a region of critical importance to the entire world in political, strategic and economic terms. Peace and stability in the Gulf are therefore vitally important for all of us. We share a common threat from terrorism and there is a need to enhance our cooperation to combat this global problem. We appreciate your initiative in convening the Counter Terrorism International Conference in Riyadh in February 2005 and the call for setting up of an International Centre to combat terrorism. We look forward to comprehensive cooperation between Saudi Arabia and India towards enhancing the security of our region.

The Kingdom of Saudi Arabia has always been a very important partner for India and it is gratifying indeed that the friendly bonds existing between our countries since time immemorial have been revitalised in recent years. Our trade is rapidly expanding and this creates exciting opportunities for cooperation. We are now close partners in the energy sector. Nearly a quarter of India's crude oil imports are sourced from your country. The demand for energy is expected to grow with the rapidly expanding Indian economy. Indian and Saudi Arabian companies are progressively forming joint ventures, which are operating in both the countries. The holding of the 6th meeting of the Indo-Saudi Joint Commission in April last year in Riyadh is a mutual reaffirmation of the vital importance of the economic dimension of our relationship.

Your Majesty, India and the Kingdom of Saudi Arabia have always had friendly relations. However, the relations have yet to realise their full potential. The time has now come to further strengthen and broaden this relationship and take it to new heights. In particular, we would like to increase our engagement in the field of trade, investment and commerce. Our two economies are complementary. India's rapid economic growth provides new opportunities for important partnerships in a variety of sectors, including energy, infrastructure, manufacturing, Information and Communication Technology and Science and Technology.

We need to create a strategic partnership in the field of energy, developing a long-term partnership, including through joint ventures in the areas of gas and power both in Saudi Arabia and India. We welcome Saudi investments in our economy and look forward to a new era of cooperation for the mutual benefit of our two nations.

India is prepared to share with our Saudi brethren its experience and expertise in institution and capacity building, governance, science and technology including Information Technology, biotechnology, healthcare and higher education. One area of potential is the development of desalination technology through the solar energy route. This will be cost effective through non-conventional energy sources. The economic reforms launched by our two countries and our vast and growing markets offer fresh openings for mutually beneficial ventures. The era of globalisation has created fresh opportunities and new challenges which India and Saudi Arabia can jointly face through enhanced cooperation for mutual benefit. Broad-based economic relations will further strengthen our close political and strategic relationship based on centuries of historical and cultural links.

The discussions that Your Majesty had with us today have confirmed that we share a great similarity of outlook on many of the important issues of the world at large and our region in particular. We both support the establishment of a sovereign, independent and viable State of Palestine and the return of peace and prosperity to that land. We would like to see a stable, peaceful, prosperous and united Iraq. We have similar interests in maintaining a secure and peaceful environment in the Gulf for the development of the countries of the region.

I am very happy to note that we have signed a number of bilateral agreements today and some are on the anvil. These will strengthen our friendly ties. I am confident that these discussions and our continued close

relationship will be a constructive factor for stability and cooperation in the face of rapid changes taking place throughout the region. I look forward with confidence and trust to working together with Your Majesty for a better future.

Distinguished Guests, may I request you to join me in a toast to the:

- health, happiness and long reign of The Custodian of the Two Holy Mosques, King Abdullah bin Abdul Aziz Al-Saud of the Kingdom of Saudi Arabia;
- prosperity and development of the Kingdom of Saudi Arabia and its friendly people; and
- abiding friendship and cooperation between India and the Kingdom of Saudi Arabia.

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334. Media Briefing on India-Saudi Arabia discussions during the visit of His Majesty the King of Saudi Arabia.

New Delhi, January 25, 2006.

Official Spokesperson: Good afternoon. As you know this morning the discussions have taken place, both one-on-one, and also between the delegations (of) His Majesty the King of Saudi Arabia and Prime Minister. The one-on-one discussion carried on for about 45 minutes. I do not have details of that, but I understand that they consisted of a full review of bilateral relations as well as an overview of regional issues, international issues, global concerns which are of interest both to India and to Saudi Arabia. India's relations with its neighbours were also discussed. Energy security was another theme which was discussed in the one-on-one.

In the delegation-level talks the Prime Minister underlined the importance that India attaches to this visit and to India's relations with Saudi Arabia which are deeply rooted in civilizational links and also have tremendous potential of trade and economic possibilities. He also mentioned the impact that this relationship can have on many issues of global concern. In particular, he said that we look at Saudi Arabia as a very important partner in combating global terrorism and in that context this particular MOU which has been signed on combating crime will further strengthen

cooperation in this regard. Other agreements which have been signed will lay the groundwork for a closer economic relationship. He (Prime Minister) briefed the Saudi delegation on current economic status and the direction of our reforms and said that he would invite the Saudi business community to take advantage of this situation particularly in gas, petroleum, infrastructure, fertilizer industries. He also mentioned that India has one of the largest group of pilgrims which go for Haj in Saudi Arabia and expressed his gratitude for the care that is taken for their pilgrimage by the Saudi Arabian government. The quota we understand for Indian pilgrims has now been increased from 137,000 to 147,000 and for this too Prime Minister expressed his appreciation.

His Majesty also underlined the special nature of this relationship and said that this is a relationship which should be strengthened, which should continue to move in this direction and (said) the agreements that are being signed today will be important steps in this process. He said that there is a need to work together on terrorism, to combat it and that they have declared a war on terrorism. This is a long-term struggle but this was one which will be carried on until this scourge is completely eliminated. He said that they were also against any support to terrorism whether it be of a financial nature or a moral nature. He underlined his and his country's sincere desire to move this special relationship forward for the benefit of both countries as well as for the impact that this has on other aspects at the global level.

This is as far as one-to-one and the delegation level talks (are concerned). I also understand that in the discussions between the Finance Minister and Secretary, Department of Economic Affairs one of the points that came up was the possibilities of funding of infrastructure projects in India. This was discussed and they decided that this would be further explored by experts from both sides and they will find appropriate mechanisms to carry this discussion forward.

Question: Were India-Pakistan relations discussed?

Answer: India-Pakistan relations were discussed and there it was mentioned by them that they are naturally interested in a better relationship between India and Pakistan. They were also briefed on the current process.

Question: The Saudi King had said in an interview to an Indian TV channel that Saudi Arabia favours Observer status for India at OIC. Did that come up?

Answer: This did not come up in the delegation level talks. I do not know if it came up in...

Question: Energy security...

Answer: Energy security was discussed.

Question: When they discussed terrorism, did they talk about extradition treaty?

Answer: This was a very broad brush discussion. But, now we have an MOU on Combating Crime.

Question: Did India propose strategic long-term energy partnership with Saudi Arabia?

Answer: I do not have the details. I know energy security was discussed. What were the specific proposals made, I do not know that.

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335. Address of Prime Minister Dr. manmohan Singh to India-Saudi Arabia Business Meet.

New Delhi, January 25, 2006.

I am truly delighted to be here in your midst, in the gracious presence of our most Honoured Guest, the custodian of the Two Holy Mosques, His Majesty King Abdullah Bin Abdul Aziz Al-Saud. I am equally delighted that we are here to talk about business and the opportunities for business between our two great countries.

Saudi Arabia is a country of very special significance for us in India. Our two countries have very close and complementary relations for centuries. We are, in a matter of speaking, civilisational neighbours. Today, we have become an important factor in each other's strategic neighbourhood.

It is a matter of deep satisfaction that our multi-faceted ties are developing steadily. They cover a widening spectrum including economic, commercial, political, educational, cultural and other fields. We have shared interests in peace, stability and economic progress in our region.

Trade relations between India and Saudi Arabia go back several centuries. Both countries have always been close and important trading

partners. In another time this relationship represented the knowledge economy of the day. Traders from the Arabian peninsula who carried India's ancient Mathematical science far and wide were the knowledge workers of their age.

Today, we have re-discovered and re-invented our bilateral relationship. The presence of His Majesty as the Chief Guest at our Republic Day is a manifestation of the new wind of change that is now blowing in our relations with Saudi Arabia. India is Saudi Arabia's 4th largest trading partner and the total India-Saudi Arabia bilateral trade reached about US\$ 9 billion in 2004. I am sure this visit of His Majesty King Abdullah bin Abdul Aziz Al-Saud to India will impart a fresh new dimension and added thrust to enhancing the content and quality of the economic and commercial relations between our two countries.

Since 1991, the Indian economy has, undergone profound changes not only in its direction but also in its fundamental structures and underpinnings. Our economic liberalization programme is reflected across the Indian economic landscape and it has led to an economy that is growing faster, with increasingly more stable fundamentals. Our economy has also been able to integrate itself with the global economic mainstream.

I am happy that today there are around 49 India-Saudi joint ventures in India and that Saudi authorities have approved 82 fully Indian owned entities or joint ventures in the Kingdom of Saudi Arabia. Similarly, more Indian companies are investing in Saudi Arabia, especially in the fields of Oil, Natural Gas and Petrochemicals, Information Technology, Telecommunications and Science & Technology.

I am sure the signing earlier today of the Bilateral Investment and Promotion and Protection Agreement and Double Taxation Avoidance Agreement will be a very important step forward in providing a more favourable legal and institutional framework for the promotion of bilateral investments in our two countries. I believe this would also infuse greater confidence among the members of the business community and that it would encourage them to make further investments.

Today, India's economy is rapidly on the move. For three years, we have witnessed growth rates of between 7% and 8.5%. A growing market, with a large middle class, abundant raw materials, highly trained and skilled manpower, especially in the field of science and technology, is eagerly seeking new investment.

The Indian economy will now need massive doses of investment in every conceivable area. Our requirements of foreign investment are particularly large in the field of power, telecommunications, roads, ports and housing sectors. Investment needs for the power and telecom sectors alone are estimated at over \$100 billion over the next five years! Transportation infrastructure, including airports and railways, will require another \$55 billion over the next 10 years. I therefore invite the business community of the Kingdom of Saudi Arabia to take advantage of these opportunities to further establish mutually beneficial Joint Venture projects.

We in India greatly welcome Saudi Arabia's membership of the World Trade Organization. We hope that this will help in further enhancing and strengthening our bilateral economic ties as I believe this will lead to new opportunities for boosting the commercial and economic interaction between our two countries.

The scope for mutually beneficial cooperation is vast. We will be happy to share our capabilities and expertise with Saudi Arabia in the fields of health, Information Technology, small-scale industries. The economies of both countries are undergoing rapid economic liberalisation. Therefore, in this era of globalization, we must encourage our private sectors to establish closer linkages through concerted and sustained interaction aimed at long-term cooperation.

I am confident that this historic visit of the Custodian of the Two Holy Mosques, His Majesty King Abdullah Bin Abdul Aziz Al-Saud will be a pacesetter, a harbinger for more intensive and wide ranging engagement between our two countries. I wish the participants in this business meet profitable and beneficial interaction. I thank His Majesty from the core of my heart for gracing this function with his august presence. I hope all this will be the start of a very productive and more intensive phase in our bilaterals.

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336. Memorandum of Understanding on Combating Crime between the Republic of India and the Kingdom of Saudi Arabia.

New Delhi, January 25, 2006.

The Republic of India and the Kingdom of Saudi Arabia (hereinafter referred to as the Two Parties), in the spirit of their friendship and brotherly relation, and **desirous** of improving such relations through security cooperation in combating organized crime and crimes perpetrated by individuals, as well as crime in all its forms, particularly international terrorism, illicit trafficking of narcotic drugs and psychotropic substances, illegal trafficking in items of historical value and artifacts, and aware of the mutual benefits accruing from cooperation in this field;

Agreement has been reached on the following:

1. The Two Parties shall cooperate and exchange assistance in the following areas:
 - a) Combating of international terrorism in accordance with laws and regulations prevailing in both countries and with international laws and conventions concluded by international bodies.
 - b) Combating of illicit production, manufacturing, trading, and distribution of narcotic drugs and psychotropic substances and precursor chemicals and their illicit use.
 - c) Combating the counterfeiting of currency and securities and the falsification of travel documents and visas.
 - d) Combating of crimes pertaining to the smuggling of weapons, ammunitions and explosives and their illicit trafficking.
 - e) Combating the smuggling of items of historical and cultural value as well as precious stones and metals and other luxury articles.
 - f) Searching for properties and monies derived from crimes and international terrorism as well as the seizure and confiscation thereof.
2. The Two Parties shall conduct studies and scientific research in the

aforementioned fields and shall convene meetings of experts when necessary to deal with urgent or special matters connected with aspects of cooperation

3. In order to achieve the above, the following security measure shall be taken:
 - a) Exchange of information related to technical and general data which assist in preventing organized crime between the competent authorities.
 - b) Mutual cooperation within the permissible scope and extent provided for by this Memorandum of Understanding in matters related to techniques used in interrogation and investigation.
 - c) Exchange of the results of experiments connected with general techniques for preventing and combating drug smuggling.
 - d) Exchange of documents, publications, and the results of scientific research on combating crimes in accordance with the laws and regulations prevailing in each country.
4. The Two Parties, through diplomatic channels, shall exchange samples of their seals and visa stamps in order to prevent illegal entry to either country.
5. The Two Parties shall seek to draft separate agreements in areas that strengthen the security of both countries in accordance with the rules of international law and provisions of international conventions to which they are both parties.
6. Provisions of this Memorandum of Understanding shall not invalidate the rights and obligations arising from other bilateral or multilateral agreements signed by either party.
7. This Memorandum of Understanding shall expire after three years from the date of ratification unless the Two Parties agree to renew it for a similar period or periods. Either party shall have the right to terminate this Memorandum of Understanding at any time after thirty days of informing the other party of such termination, in writing, and through diplomatic channels.
8. Ministry of Home Affairs and the Narcotics Control Bureau (NCB) in the Republic of India are the agencies designated to receive all

communications connected with implementation of this Memorandum of Understanding; their counterpart in the Kingdom of Saudi Arabia is the Ministry of Interior (Department of International Police Communication “Riyadh- INTERPOL”).

9. This Memorandum of Understanding is subject to ratification and shall enter into force thirty days after the date of exchange of Instruments of Ratification.
10. **Done** at New Delhi on 25/01/2006, corresponding to 25/12/1426 AH, in two originals each in Hindi, Arabic and English Languages; all texts being equally authentic. In case of any differences in interpretation of the Hindi or Arabic texts, the English version shall prevail.

For the Republic of India

Shivraj V. Patil
Home Minister

For the Kingdom of Saudi Arabia

Saud Al Faisal
Foreign Minister

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337. Delhi Declaration signed by King Abdullah bin Abdulaziz Al Saud of the Kingdom of Saudi Arabia and Prime Minister Dr. Manmohan Singh.

New Delhi, January 27, 2006.

The Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz Al Saud of the Kingdom of Saudi Arabia held historic meetings with the President of the Republic of India, His Excellency Dr. A.P.J. Abdul Kalam and the Prime Minister of the Republic of India, His Excellency Dr. Manmohan Singh during his State visit to the Republic of India from 24 – 27 January, 2006. The two sides exchanged views and had in-depth discussions that touched upon the mutual interests of both countries as well as the security, stability, peace and prosperity in the whole region.

Realizing that this visit heralds a new era in India-Saudi Arabia relations and constitutes a landmark in the development of increased understanding and cooperation between the two countries and creation of a mutually beneficial partnership,

Reflecting the view that both countries are developing a broad

strategic vision, and are determined to work together closely for the welfare and benefit of their peoples and for peace and stability in the region and the world,

Desirous of building upon and expanding the close ties and friendship and the many commonalties between the two countries and peoples,

Affirming their commitment to the ideals of tolerance, harmony and diversity between societies and the importance of dialogue and peaceful resolution of disputes,

Conscious of their responsibility for promoting peace, stability and security in the region and the world,

Recognizing the close inter-linkage of the stability and security of the Gulf region and the Indian sub-continent and the need for maintaining a secure and peaceful environment for the development of the countries in the region, Desirous of further strengthening people - to - people ties,

The two sides have agreed as follows: Exchanges of high-level bilateral visits and consultations should be intensified in order to give an impetus to and expand the scope of bilateral cooperation and understanding.

Terrorism is a scourge for all mankind and there is a need to intensify and coordinate bilateral, regional and global cooperation to combat and eradicate the menace of terrorism.

The two Governments would closely and actively cooperate to fight the menace of terrorism and other transnational crimes like money laundering, drugs and arms smuggling in a sustained and comprehensive manner. The signing of the Memorandum of Understanding between Saudi Arabia and India on Combating Crime will help in the fight against terrorism, extremism and criminal elements. The two countries shall make concerted efforts for an early realization of the proposals to conclude a Comprehensive Convention on International Terrorism which is before the UN General Assembly, and the setting up of an International Counter- Terrorism Centre as called for by the International Conference on Counter- Terrorism held in Riyadh in February 2005, in response to the idea proposed by King Abdullah bin Abdulaziz Al Saud.

To expand and diversify mutual trade and investments and, noting with satisfaction the signing of agreements regarding Promotion and

Protection of Investments and Avoidance of Double Taxation, called for the exploration of investment opportunities in all sectors, including infrastructure, in both countries.

Both sides affirmed the importance of stability in the oil market for the world economy. The Indian side expressed understanding and appreciation of the balanced petroleum policy of Saudi Arabia which is considered a trusted and reliable source of oil supplies to international markets in general and the Indian market in particular. In this context, the Saudi side appreciated the Indian initiative to initiate a regional forum for dialogue among Asian oil and gas producers and consumers.

Both countries will develop a strategic energy partnership based on complementarity and interdependence. The elements of this partnership would include, inter alia:

- Reliable, stable and increased volume of crude oil supplies, through “evergreen” long-term contracts.
- Cooperative and joint ventures, both in the public and private sectors, in the upstream and downstream oil and gas sectors in India and Saudi Arabia as well as in third countries.
- Saudi investments in oil refining, marketing and storage in India, subject to commercial viability.
- Setting up of India-Saudi ventures for gas-based fertilizer plants in Saudi Arabia.

The two governments would encourage and support entrepreneurs in both countries to harness each other's strengths for mutual benefit and promote economic cooperation actively.

The two countries would work for closer cooperation in the field of technology, in particular in the field of information and communication technology, agriculture, bio-technology, and non-conventional energy technologies. India will assist in setting up an ICT Centre of Excellence as well as institutes of higher learning, involving both education and research, in the field of technology in Saudi Arabia. India would offer opportunities for Saudi students to pursue Post-Graduate and Doctorate level studies in technical institutions in India, and enhance cooperation in human resource development related to telecommunications. It was agreed that an Educational Exchange Programme between the two countries should be

finalized and concluded at an early date.

The two countries would explore the prospect of cooperation in the health sector to realize the promising possibilities for enhancing cooperation in this sector, including health services, exchange of health personnel, health education and pharmaceuticals.

It was agreed that cooperation in the field of science and technology, tourism, youth affairs and sport, agriculture research and education, technical education and vocational training and other fields of mutual benefit should be intensified through signing of agreements and memorandum of understanding as necessary.

The two sides agreed to cultivate and encourage cultural exchanges between the two countries, both at official and popular levels.

The meetings of the bilateral Joint Commission will be held frequently and regularly, and the next meeting of the Joint Commission to be held later in 2006 has been tasked to ensure follow-up and implementation of the decisions taken by the two leaders during King Abdullah's visit to India.

In the field of political cooperation, both sides exchanged views about international developments, especially those related to the Middle East, and affirmed their commitment to the principles of international legality and the importance of maintaining international peace and stability. The two sides agreed to work together towards resolving outstanding conflicts in the world through peaceful means.

Both countries emphasized the importance of the Beirut Arab Peace Initiative and the Road Map. They realized that the complementarity between the two plans would invigorate the peace process in the Middle East, and lead to the establishment of a viable and independent State of Palestine living in peace and prosperity within secure borders side by side with Israel.

With regard to the Iraqi situation, both sides expressed their hope that Iraq would turn a new page in history that would assure its security, unity, territorial integrity and prosperity, and respect for its sovereignty and independence.

The two sides welcomed the ongoing dialogue between India and Pakistan and their continued efforts aimed at settling the outstanding issues between the two countries.

Done in New Delhi on the 27th of January, 2006 corresponding to 27th of 12, 1426 H.

Signed

Signed

Dr. Manmohan Singh
Prime Minister of the
Republic of India

Abdullah Bin Abdulaziz Al Soud
King of the Kingdom of
Saudi Arabia

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338. Briefing points by Official Spokesperson on the visit of Foreign Minister of Saudi Arabia.

New Delhi, February 22, 2006.

- His Royal Highness Prince Saud Al-Faisal, Foreign Minister of Saudi Arabia visited India February 21-22, 2006 as a follow-up to the very successful visit earlier to India by His Majesty King Abdullah bin Abdulaziz Al-Saud.
- He called on Prime Minister and a dinner was later hosted in his honour by the National Security Adviser. Among the dignitaries present were Shri Murli Deora, Minister of Petroleum & Natural Gas.
- His Royal Highness Prince Saud Al-Faisal, Foreign Minister of Saudi Arabia conveyed the greetings of His Majesty to the Indian leadership and expressed his appreciation and gratitude for the very warm and fraternal reception that he had received in India, and his determination that Saudi Arabia would follow through expeditiously on various items of cooperation agreed upon by the two countries. Saudi Arabia felt that it would be important for the two countries to take practical steps and the visit of the Foreign Minister, Prince Saud Al-Faisal to India was in that context.
- During the discussions it was agreed that a high-level economic delegation from India would visit Saudi Arabia at an early date to promote early implementation of agreed projects including in the energy sector.
- The two sides also exchanged views on regional and international issues of mutual interest.

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TAJIKISTAN

339. Joint Press Statement on the second meeting of Indo – Tajik Joint Working Group on countering International Terrorism.

New Delhi, August 4, 2006.

1. The Second meeting of the Indo – Tajik Joint Working Group on Countering International Terrorism was held in New Delhi on 03 – 04 August 2006. The Indian delegation was led by Shri KC Singh, Additional Secretary (International Organisation) in the Ministry of External Affairs, Government of India. The Tajikistan delegation was led by Mr Abdullo Uldoshev, Deputy Minister of Foreign Affairs. Both delegations included representatives of relevant Ministries and agencies.
2. The two sides reviewed the developments in the respective regions. They shared concern on cross border terrorism and emphasised the importance of action by all States to deny safe haven to terrorists.
3. The Indian and Tajikistan delegations reiterated that cooperation in combating terrorism constitutes an important part of partnership between the two countries. They unequivocally condemned terrorism in all its forms and manifestations and reiterated their commitments to further strengthen counter – terrorism cooperation.
4. The two sides expressed their concern regarding the increase in the spread of narcotics in the region and agreed that this directly threatens the security of both the countries.
5. The Joint Working Group emphasised the strengthening of bilateral mechanisms and agreed to continue to exchange information and share experience in the fight against terrorism.
6. The two sides also shared concern regarding financing of terrorism in the region underlining this as crucial in the counter terrorism strategy.
7. To bolster capacity building the Indian side offered training courses in various aspects of counter – terrorism. The Tajik side agreed to study the offer.

8. The two sides also discussed cooperation in the international fora and agreed to enhance cooperation through mutual consultations. They also urged the early finalisation of a Comprehensive Convention on International Terrorism at the United Nations which India has sponsored and Tajikistan has supported.
9. The Tajik side reiterated their condemnation of the Mumbai train bombings of 11 July 2006.
10. Both sides agreed to hold the next session of the Indo – Tajik Joint Working Group on Counter Terrorism in Dushanbe in the first half of 2007.

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340. Joint Declaration by the Republic of India and the Republic of Tajikistan on Further Development of Relations, Friendship and Cooperation.

New Delhi, August 7, 2006.

The President of the Republic of Tajikistan H.E. Mr. Emomali Rahmonov paid a State visit to India from 6-10 August 2006 at the invitation of the Prime Minister of the Republic of India, H.E. Dr Manmohan Singh.

The Republic of India and the Republic of Tajikistan (henceforth called the Parties),

Considering the close historical ties of culture and traditional friendship of their people,

Confirming their adherence to the ideals of peace, democracy, multiculturalism, multi-ethnicity and secularism,

Realizing that the present visit marks the strengthening of India-Tajikistan relations, opens up new prospects for deepening mutual understanding and cooperation between the two countries and widens the basis for mutually beneficial partnership,

Noting that the Parties realize the necessity for pooling their joint efforts for the welfare and interests of their people, and for peace and stability in the region and the world,

Desirous to widen multifaceted contacts between the two countries and their people,

Affirming their commitment to the principles of tolerance, harmony and diversity in society and importance of dialogue and peaceful resolution of disputes,

Conscious of their responsibility for promoting peace, stability and security in the region and the world,

Recognizing the close inter-linkage between stability and security of the Central Asian region and the Indian sub-continent and the need for maintaining a secure and peaceful environment for development of the countries in the region,

Desirous of further strengthening people-to-people ties,

Have agreed as follows: The Parties noted with satisfaction the increased bilateral contacts and the frequency of exchanges at political and senior official levels and expressed confidence that the signing of a Memorandum of Understanding on Consultations between the Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the Republic of Tajikistan will further promote bilateral contacts and exchanges;

Expressing its outrage at the barbaric terrorist acts carried out on 11 July 2006 in Mumbai and Srinagar in India, Tajikistan conveyed its solidarity with the Government and the people of India and expressed its deepest condolences to the victims and their families. They expressed readiness to undertake all necessary measures to bring to justice perpetrators, organizers, sponsors of terrorist acts, and those who incite the perpetrators;

Recognizing that terrorism is a scourge for all mankind, the two Parties agreed to closely and actively cooperate to fight the menace of terrorism and other transnational crimes such as money laundering, drugs and arms smuggling in a sustained and comprehensive manner. The two countries shall make concerted efforts for an early realization of the proposal to conclude a Comprehensive Convention on International Terrorism which is before the UN General Assembly. The Parties expressed satisfaction at the results of the second meeting of the Joint Working Group on Counter Terrorism, that was held in New Delhi during 3-4 August 2006, and expressed confidence that the Joint Working Group would intensify their cooperation and exchange of information directed at thwarting terrorist acts and trafficking in narcotics.

The two Parties expressed satisfaction that meetings of the bilateral Inter Governmental Commission are being held regularly and noted that the third meeting was held in New Delhi on 31 July – 1 August 2006. They stressed the need to enhance efforts to increase bilateral trade and economic relations. At the request of Tajikistan, India agreed to extend technical assistance to support Tajikistan's accession to the World Trade Organization;

To expand and diversify mutual trade and investments, the two Parties confirmed their interest in studying investment opportunities in all sectors and particularly hydro energy in Tajikistan. The Parties welcomed the signing of a Memorandum of Understanding between the two Governments on Cooperation in the Energy sector. India offered to rehabilitate the Varzob 1 hydropower plant in Tajikistan;

The two countries would work for closer cooperation in the field of technology, particularly in information and communication technology, agriculture and exploration and development of mineral resources. The Parties welcomed the signing of a Programme of Cooperation between the Academy of Sciences of Tajikistan and the Department of Science and Technology of the Government of India for the period of 2006-2008;

Tajikistan conveyed its appreciation for the establishment of the Bedil Tajikistan India Centre for Information Technology, which was set up in Dushanbe with India's assistance. India expressed the hope that the Centre would play a key role in training the youth of Tajikistan enabling them to actively participate in the economic development of their country. In this context, India further agreed to assist in setting up a Tool Room and Training Centre attached to the Tajikistan Technical University at Dushanbe;

Both Parties noted with satisfaction the expansion of cooperation in the sphere of the personnel training within the framework of Indian Technical and Economic Cooperation (ITEC) Programme and other programmes. India agreed to offer greater opportunities for Tajik nationals to pursue learning of the English language and other courses in India. India would also provide facilities for scholars from Tajikistan to undertake research and academic activities at the Centre for Central Asian Studies at the Jawaharlal Nehru University, Delhi;

The Parties agreed to develop and encourage cultural exchanges at both official and popular levels. They expressed confidence that with the signing of the Cultural Exchange Programme for 2006-09 between the

Governments of the two Parties, cultural exchanges between the two countries would be intensified. Tajikistan appreciated India's initiative to restore the monument of eminent 18th century poet of India, Mirza Abdul Qadir Bedil, whose works during that century promoted development of Tajik-Persian poetry and are popular in Central Asia;

Both Parties expressed satisfaction at the development of institutional relations between the defence forces of the two countries and agreed to build closer defence ties including capacity building;

Both Parties exchanged views about international developments, particularly those related to developments in Central and South Asia;

The two Parties expressed their support to the Government of the Islamic Republic of Afghanistan for a sovereign, stable, democratic and prosperous Afghanistan. They expressed confidence that the present democratic process in Afghanistan would lead to the establishment of a strong and vibrant Afghanistan. They also reaffirmed their commitment to the economic reconstruction and rehabilitation of Afghanistan. While expressing concern over the escalation of violence in recent months in Afghanistan, both Parties expressed their confidence that the Government of Afghanistan will be able to overcome this threat. They also expressed support for the efforts of the Government of Afghanistan in combating the menace of opium cultivation and drug trafficking;

The two Parties, highly valuing the role of UN in guaranteeing peace, stability and in creation of favourable conditions for development of the world, confirmed the need to reform the structure and increase the effectiveness of the activities of this universal organization. Tajikistan reaffirmed its support for India's permanent membership in an expanded UNSC;

The Parties expressed the hope that India would associate itself comprehensively with the activities of the Shanghai Cooperation Organization (SCO), directed at promoting greater economic and energy cooperation, cultural exchanges, and countering terrorism. India expressed appreciation of SCO's role in promoting peace and stability in the region and for building a common front against terrorism, extremism and separatism;

The President of the Republic of Tajikistan invited the President of the Republic of India and the Prime Minister of the Republic of India to pay

official visits to Tajikistan. The invitations were accepted with pleasure. The dates of the visits would be decided through diplomatic channels.

Done in New Delhi on Monday, the Seventh day of August of the year 2006.

Dr. Manmohan Singh
Prime Minister in the
Republic of India

Emomali Rahmonov
President
Republic of Tajikistan

F F F F F

341. Speech of President Dr. A. P. J Abdul Kalam at a banquet in honour of the President of the Republic of Tajikistan Emomali Rahmonov.

New Delhi, August 7, 2006.

Your Excellency, Mr Emomali Rahmonov, President of the Republic of Tajikistan Excellencies, Distinguished Guests, Ladies and Gentlemen

It gives me great pleasure to welcome you, Mr President and all the members of your distinguished delegation to India. India and Tajikistan are countries bound by age old links from the days of the Avesta and Indo-Aryans of the Rig Vedic period. The inclusion of the people of the North Western part of the Indian subcontinent and the Tajik people of Bactria and Sogdh regions in a common State of Kushanas further strengthened the cultural and linguistic ties between us. Indian history is replete with achievements of many luminaries of Central Asian origin who lived and made their contributions on Indian soil.

The works of great souls like Rumi and Amir Khusrau reflect the cultural synthesis that developed between India and Central Asia. Similarly, the life and works of great Tajik literary figures such as Sadruddin Ayni and Rudaki show the closeness between our two cultures and people. Bobojon Gafurov's monumental work "History of the Tajik People" brings out clearly the civilizational grandeur of the Tajik people and our common heritage. Your visit to the resting place of a famous son of India - Mirza Abdul Qadir Bedil, who is revered in Tajikistan and India must have been an enriching experience. Bedil inspired countless people of India and abroad and amongst them was none other than the literary genius Mirza Ghalib.

Excellency, the contours of world politics and economy have been redrawn over the last two decades. Rapid globalisation has brought us fruits of development. Our peoples have found prosperity in new endeavours which were not well known even a few years ago. Science and Technology have shown us potential of development which is in harmony with society and the environment. At the same time, serious issues of trans-national nature have come to the fore such as terrorism, cultivation of illegal narcotics, drug trafficking, HIV/AIDS etc. Countering these scourges can only be effectively done through cooperation and joining of hands across states and continents as no nation today can isolate itself from their ill-effects.

The recent terrorist strikes in Mumbai and Srinagar have once again tragically brought to our attention the need for a strong resolve and cooperation to defeat the terrorists and their ideology of intolerance and sectarianism. We have been touched by the words of solidarity, support and strong condemnation that we received from the world over and from Tajikistan and I take this opportunity to reiterate our resolve to win the fight against terrorism.

At the same time, Excellency, feelings of hope and the satisfaction of achievement burn brighter than ever before. Economic growth in Asia and the rest of the world, the emergence of a global middle class, exponential growth in communications have all meant that economic development and the ability to harmonize actions for the good of mankind have never had a better chance to succeed. It is this aspiration that guides us to cooperate and work towards building a better tomorrow for our peoples.

Excellency, India and Tajikistan have over the years, cooperated and interacted in a variety of bilateral and multilateral areas. I am tempted to state that our countries today enjoy a special relationship for mutual benefit. The potential for further development of people-to-people linkages and relations is high. We could collaborate in the areas of alternative and clean sources of energy, in exploitation of and value added technology to minerals and metals like aluminium and uranium etc. India could be involved in development of agricultural technology and in areas such as dairy sciences. Our remote sensing technology may also be of interest to you.

With an installed capacity of 33,000 MWs of hydro-power, India has developed vast expertise in the installation, generation, transmission and distribution of hydro-power. This is the area which offers great potential for

close cooperation between our two countries. Since your country has a vast potential of hydro-power, it can be made good use of for a fuller development of the energy sector.

We have, over the years, played a modest, but significant role in building Tajik capacity through instruction in computer sciences and other disciplines. I am told that an Information Technology Centre established with Indian assistance and named after Bedil has just been inaugurated in Dushanbe. I am confident that this Centre will be a symbol of the constructive relationship between our countries.

The youth of our countries are our most precious asset. In both Tajikistan and India, there is a vast reservoir of young minds, waiting to be ignited. We have to give them challenging opportunities, a suitable framework of governance and enough elbow room for their talent to bloom. It is only through young people that constructive change can be brought about. Excellency, as the great poet Firdausi wrote "he will be powerful who has knowledge. The old man who has knowledge has a young heart." I feel that it is not only the old people who have knowledge and who can bring about change, but young people who have knowledge and dynamism have enormous capacity for bringing about greater change.

Excellency, you will soon be celebrating the 15th year of your Independence. Over these last 15 years, progress and developmental achievements of Tajikistan are commendable and noteworthy. I would like to convey the warm good wishes of the people and the Government of India for continued peace and prosperity of the people of Tajikistan. I take this opportunity to reaffirm our commitment to be an active partner in your developmental endeavours.

Excellencies, Ladies and Gentlemen, may I now request you to join me in raising a toast :

- to the health and well being of His Excellency President Rahmonov;
- to the progress and prosperity of the people of Tajikistan; and
- to the abiding friendship between our two people.

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342. Memorandum of Understanding on Consultations between the Ministry of External Affairs of the Republic of India and the Ministry of Foreign Affairs of the Republic of Tajikistan.

New Delhi, August 7, 2006.

The Ministry of External Affairs of the Republic of India and the Ministry of External Relations of the Republic of Tajikistan, hereinafter called "The Parties".

DESIROUS of increasing the mutual understanding and cooperation between both Ministries:

CONSIDERING the benefits of the consultations and the exchange of opinion at all the levels of the bilateral relations, as well as in the regional and international issues of mutual interest, and

HOPING to facilitate the mutual cooperation for the benefit of both countries,

AGREE on the following:

1. The Parties will hold periodic consultations and will exchange information regarding all aspects of the bilateral relations, especially, in the areas of political, commercial, scientific, technological, cultural, educational and defence cooperation. In the same way, they will exchange opinions regarding the regional and international issues of mutual interest.
2. The Parties will hold meetings, which will be presided at the level of Secretary in the Ministry of External Affairs of India and Deputy Foreign Minister in the Ministry of Foreign Affairs of Tajikistan. The date, venue and agenda of the meetings will be determined between both Parties, by the diplomatic means.
3. The MOU will come into effect on the date it is signed by both the Parties. It will continue to remain in force unless either Party notifies the other, six months in advance about its intention of terminating the same.

IN WITNESS WHEREOF, the present Memorandum of Understanding is signed in the city of New Delhi, on the seventh day of the

month of August 2006, in two original copies, each in Hindi, Tajik and English languages, all texts being equally authentic. In case of any divergence of interpretation, the text in English shall prevail.

**On behalf of the Ministry of
External Affairs of the
Republic of India**

**On behalf of the Ministry of
Foreign Affairs of the
Republic of Tajikistan**

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343. Memorandum of Understanding on Cooperation between The Indian Council of World Affairs, Republic of India and Academy of Sciences, Republic of Tajikistan.

New Delhi, August 8, 2006.

**The Indian Council of World Affairs (ICWA), New Delhi, and
Academy of Sciences, Republic of Tajikistan** hereinafter referred to as
"The Parties"

Intending to enhance mutual understanding and friendship between
the peoples of the Republic of India and the Republic of Tajikistan through
the promotion of friendly institutional relations;

Have reached the following understanding:

Article 1 – General Guideline

The Parties agree to develop exchanges and cooperation on the
basis of mutual respect, equality and mutual benefit.

The Parties agree to establish a non-government group of eminent
persons, from both sides from the fields of diplomacy, culture, economy
and trade, academics, sciences, social sciences, communications and the
media to facilitate an Annual India-Tajikistan Dialogue and cooperation
between the civil societies of India and Tajikistan.

With a desire to make such dialogue and exchange fruitful, the Parties
shall, through mutual understanding, decide upon the number of participants
from each side, and shall each nominate their respective Co-Chairpersons.
The list of eminent members from both sides shall be communicated through
mutual exchange of letters.

The Annual Dialogue will be hosted alternately in India and Tajikistan

by the ICWA and the Academy Sciences respectively. The first dialogue will be hosted by Academy of Sciences in Dushanbe in early 2007.

Article 2 – Contents of Cooperation

Cooperation under this Memorandum may include;

1. Promotion and support of those activities contributing to better understanding and relations between India and Tajikistan;
2. Promotion and support for the exchange of visits by eminent persons in the fields of diplomacy, culture, academics, economy and trade, education, sciences, social sciences communication and the media;
3. Co-sponsoring of bilateral seminars, symposiums and panel discussions on issues of common interest;
4. Exchange of publications;
5. Other forms of cooperation as may be agreed upon by both parties through consultations;

Article 3 – Sharing of Expenses

On the basis of reciprocity, the sending Party shall cover international travel expenses while the receiving Party shall cover local transportation and hospitality expenses of the participants as well as local organizational costs.

Article 4 – Others

Other issues not covered in this Memorandum shall be decided through mutual consultation between the Parties.

Article 5

The Memorandum shall come into effect from the date of its signature. This Memorandum of Understanding may be amended by mutual agreement whenever necessary.

Signed in New Delhi on the 8th day August of the year 2006 in three originals each in the Hindi, English and Tajik languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

(Talmiz Ahmad)
Director General
For Indian Council of World Affairs
Sapru House, New Delhi

(M.Ilovo)
President of the
Academy of Sciences
Dushanbe

TURKMENISTAN

344. Press Release of the Ministry of External Affairs on the First Meeting of the India-Turkmenistan Inter-Governmental Commission on Trade, Economic, Scientific and Technological Cooperation.

Ashgabat, October 4, 2006.

Shri E. Ahamed, Hon'ble Minister of State for External Affairs and co-chair of the India-Turkmenistan Inter-Governmental commission on Trade-Economic Scientific and Technological Cooperation led the Indian delegation for the 1st meeting of the Inter-Governmental Commission held in Ashgabat (Turkmenistan) on 2-3 October 2003. Hon'ble Minister was accompanied by a high level delegation with representatives from Ministries of External Affairs, Petroleum and Natural Gas, Departments of Commerce and Science and Technology, State Trading Corporation and Public Sector Oil and Gas companies, namely ONGC Videsh and Gail India Limited.

On his arrival in Ashgabat Shri Ahamed was received by his counterpart and co-Chair of the Turkmen side of the Inter-Governmental commission Mr. Rashid Meredov, Minister of Foreign Affairs of Turkmenistan. Shri Ahamed had extensive discussions with Mr. Meredov on all aspects of the bilateral relationship as well as issues of regional cooperation such as India's participation in the Turkmenistan-Afghanistan-Pakistan (TAP) gas pipeline project. The Turkmen Foreign Minister conveyed the support of H.E. Mr. Saparmurat Niyazov, President of Turkmenistan to greater Indian involvement in various sectors in Turkmenistan, notably in the hydrocarbon sector. Mr. Meredov informed Shri Ahamed that Turkmenistan supports India becoming a member of TAP.

Shri Ahamed addressed the plenary session of the Inter-Governmental Commission wherein he stressed the need for India becoming a development partner for Turkmenistan. The Inter-Governmental Commission meeting was conducted through meetings of various sub-groups including the 1st meeting of the India-Turkmenistan Joint Working Group (JWG) on Hydrocarbons. The JWG on Hydrocarbons discussed possible areas of bilateral cooperation such as India's interest in participation in prospecting and eventual exploration and production in the offshore Caspian blocks of Turkmenistan.

India also agreed to facilitate the issue of permission for Turkmenistan's designated carrier to fly to additional points of call in India namely Ahmedabad and Kochi. India also offered to establish in Ashgabat an India-Turkmenistan Centre for Information Technology for capacity building of nationals of Turkmenistan in the information technology area.

Both sides resolved to make efforts for intensifying commercial relations through trade related joint ventures. The Turkmenistan side agreed to facilitate imports of Indian pharmaceutical products in Turkmenistan. Cooperation in science and technology particularly in seismic studies as well as in combating desertification was also agreed upon. A joint protocol outlining the specific areas of cooperation was signed at the conclusion of the Inter Governmental Commission by the two Co-Chairs.

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345. Condolence Message of External Affairs Minister to acting President of Turkmenistan on the sad demise of Saparmurat Niyazov, President of Turkmenistan.

New Delhi, December 22, 2006.

Excellency,

It is with a deep sense of sorrow that I have learnt about the sad demise of H.E. Mr. Saparmurat Niyazov, President of Turkmenistan. At this moment of sorrow, on behalf of the Government and people of India, I convey our sincere and heartfelt condolences to the family of the deceased leader and the Government and people of Turkmenistan. I hope and pray that the people of Turkmenistan will be granted the strength and fortitude to overcome this tragedy with courage and determination.

India and Turkmenistan have mutually benefited from close ties through history. I take this opportunity to renew India's commitment to further strengthening the warm and friendly ties between our two countries.

Sd/-
(Pranab Mukherjee)

H.E. Gurbanguly Berdymukhamedov,
Acting President of Turkmenistan, Ashgabat

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346. Press Release of the Ministry of External Affairs on the visit of Union Minister of Water Resources Prof. Saifuddin Soz to Turkmenistan to attend the state funeral of late Turkmenistan President Saparmurat Niyazov.

New Delhi, December 25, 2006.

Prof. Saifuddin Soz, Union Minister of Water Resources led the Indian delegation to the state funeral of H.E. Mr Saparmurat Niyazov, the late President of Turkmenistan, held on 24 December 2006 at Ashgabat. A large number of world leaders, including President Hamid Karzai of Afghanistan, President Nursultan Nazarbayev of Kazakhstan, President Emomali Rahmonov of Tajikistan, Prime Minister Shaukat Aziz of Pakistan and Prime Minister Mikhail Fradkov of Russia attended the funeral.

Prof. Soz laid a wreath at the coffin of the late President, who lay in state at the Turkmenbashy Presidential Palace in the heart of the city. Prof. Soz was accompanied by Shri R.P. Kaushik, Ambassador of India to Turkmenistan and other senior officials of the Government of India. He conveyed India's deepest condolences on the sad demise of the Turkmen President to the family members of the late President. Prof. Soz also met the acting President of Turkmenistan, H.E. Mr Gurbanguly Berdymuhammedov and other members of the Cabinet and offered India's condolences. He assured the acting President that India looked to Turkmenistan as a trusted friend and was interested in promoting and strengthening the traditional bonds of friendship that bind us. Mr. Berdymuhammedov reciprocated Prof. Soz's sentiments.

During the visit to Ashgabat, Prof. Soz had a meeting with President Rahmonov of Tajikistan. President Rahmonov conveyed his appreciation of the strong relationship enjoyed by India and Tajikistan. President Rahmonov and Prof. Soz discussed possibilities of India's involvement in the proposed project of export of electricity from Central Asia to South Asia.

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UNITED ARAB EMIRATES

347. Statement of Condolences by Vice President Bhairon Singh Shekhawat on the demise of Sheikh Maktoum bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Dubai, January 6, 2006.

I have been deeply saddened about the sad and untimely demise of His Highness the Late Sheikh Maktoum bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

On behalf of the Government and people of India, I have come to Dubai to personally convey our sincere condolences and to share the grief of His Highness General Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai, other family members and the people of UAE¹.

Under the leadership of Sheikh Maktoum, Dubai made great strides and has emerged as a business, financial, tourism and travel hub not only in the region but also globally.

The UAE is one of India's most important trading partners and Dubai is the fulcrum that drives our intensive economic engagement. India and the UAE, and Dubai in particular, are bound by links that stretch back centuries. These symbiotic links have been further strengthened in recent times by the presence of a large number of my compatriots in this great country. Dubai is a home away from home for them and their Emirati brothers and sisters have welcomed them into their midst. This is a tribute to the wise and sagacious leadership of this land. We are proud that we have been able to contribute our might to the growth and progress of this country.

On behalf of the Government and people of India and on my own

1. A press release issued by the Ministry of External Affairs the previous day said: "Sheikh Maktoum was one of the eminent leaders of the region whose contribution to the United Arab Emirates and Dubai in particular has indeed been immense. He will always be remembered as a great benefactor by the people of Dubai and the UAE. The loss is even more poignant for all Indians, particularly those residing in Dubai, who greatly benefitted from his affection and generosity. India is united in grief with the ruling family of Dubai and the leadership and the people of UAE, in mourning the passing away of Sheikh Maktoum."

behalf, I would like to convey our best wishes for the continued growth and prosperity of the friendly people of this great land.

I also convey my best wishes to His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, for his visionary and dynamic leadership.

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UZBEKISTAN

348. Media briefing by Secretary (East) Rajiv Sikri on Prime Minister's Visit to Uzbekistan.

New Delhi, April 20, 2006.

Please See Document No. 477.

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349. Opening Remarks by Prime Minister Dr. Manmohan Singh at the Joint Press Conference with Uzbekistan President.

Tashkent, April 26, 2006.

Dr. Manmohan Singh: President Karimov and I have had very fruitful discussions this morning, continuing upon our last meeting in New Delhi one year ago. We are satisfied with the steady growth in our multi-dimensional relationship.

Central Asia is strategically an important region and has historically been at the cross roads of the Eastern and Western worlds. We wish for continued stability and economic prosperity for our friends in Uzbekistan.

We have had very close political and economic relations and are cooperating in activities for training of defence personnel. Both our countries face the common threats of terrorism, fundamentalism and religious extremism and President Karimov and I have resolved to continue to work together to combat these dangers.

During the talks we have decided to qualitatively enhance our commercial and economic relationship.

India's strengths are in the service industry and human resources development. The Jawaharlal Nehru India Uzbekistan Centre for Information Technology to be inaugurated this afternoon would be a symbol of our commitment to support Uzbekistan in training qualified personnel for emerging industries.

I am happy that President Karimov has accepted our offer to set up an Entrepreneurship Development Centre in Tashkent which would be an important training ground for young businessmen and would lead to generation of employment.

We are also taking an initiative to provide satellite based tele-education and tele-medicine connectivity between India and Uzbekistan which would be a demonstration of cutting edge technological and human resource cooperation between our two countries.

I am also happy to note that we have agreed to cooperate in the fields of oil and natural gas exploration and production. We see Uzbekistan as an important element in any effort to optimally utilize the energy resources of Central Asia. India will also cooperate with Uzbekistan in exploration and development of its vast geological and mineral resources.

I thank President Karimov and the people of Uzbekistan for their traditional warmth and affection for India. Both our countries are committed to regional stability, world peace and economic growth and prosperity of our peoples. We will continue to work together to achieve our common objectives.

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350. Remarks by Prime Minister Dr. Manmohan Singh at the inauguration of Jawaharlal Nehru India-Uzbekistan Centre for Information Technology.

Tashkent, April 26, 2006.

I am deeply honoured to be in your midst today for the inauguration of the India Uzbekistan Centre for Information Technology named after the illustrious son of India, Pandit Jawaharlal Nehru, who had the vision to lay the foundations of India's scientific and technological advancement.

Investment in education and training is an investment in the future of the country. It is a tool for generation of employment and improvement in the quality of life of the people. Progress is linked to fully exploiting the opportunities created by the use of Information and Communication Technologies.

India has made considerable strides in the sphere of Information Technology. The fruits of Information Technology are now being harvested in rural India as well. We are also working to take connectivity to the remotest corners of India. Modern technology has reduced the barriers of time and space and enables countries to leapfrog stages of development.

Countries, therefore, must redouble efforts to bridge the knowledge gap, both within themselves and with advanced countries. It is only then that our youth and scientists can participate fully in the global market place of ideas, knowledge and information. I am confident that this Centre will train knowledge workers in Uzbekistan to enable them to compete with confidence in the global market place.

Friends, it gives me great pleasure to join your Prime Minister in inaugurating this Centre which symbolizes the modern and dynamic face of India-Uzbekistan friendship and cooperation. I thank you.

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351. Joint Statement issued at the end of the visit of Prime Minister Dr. Manmohan Singh to Uzbekistan.

Tashkent, April 26, 2006.

1. At the invitation of the President of the Republic of Uzbekistan, H.E. Mr. Islam Karimov, the Prime Minister of India H.E. Dr. Manmohan Singh, paid an official visit to the Republic of Uzbekistan on 25-26 April 2006.
2. The Prime Minister of India Dr. Manmohan Singh held discussions with the President of the Republic of Uzbekistan Mr. Islam Karimov. The talks were held in an atmosphere of friendship and trust. The two Sides had detailed exchange of views on the issues of further development of bilateral relations in political, trade and economic, scientific and technical, cultural and humanitarian and other spheres of cooperation, as well as on regional and international issues of mutual interest.
3. The two Sides positively assessed dynamic development of India-Uzbekistan relations, reviewed in detail the follow up on decisions taken during the visit of the President of Uzbekistan to India in April

2005 and in this context noted the significant potential for further cooperation between the two Sides for the benefit of the peoples of two countries as well as peace and stability in the region.

4. Both Sides agreed on the importance of maintaining regular political dialogue, including at the highest level, on bilateral relations as well as on regional and international issues. The importance of greater contacts between the ministries, departments and economic entities of the two countries was emphasized. The two Sides agreed to take active measures to promote people- to-people contacts.
5. Uzbekistan and India noted that there exist vast opportunities for the development of cooperation in the spheres of education, information technology, oil and gas sector, light industry, agriculture, aviation, tourism, entrepreneurship, mineral resources and pharmaceuticals.
6. The two Sides noted with satisfaction the signing of the following documents during the visit:
 - i) Memorandum of Understanding between the Government of the Republic of India and the Government of the Republic of Uzbekistan on establishing the Uzbekistan India Entrepreneurship Development Centre at Tashkent;
 - ii) Memorandum of Understanding between the Ministry of Petroleum and Natural Gas of the Republic of India and the National Holding Company "Uzbekneftegaz" of the Republic of Uzbekistan on Cooperation in the field of Oil and Natural Gas
 - iii) Memorandum of Understanding on Cooperation between the Ministry of Coal and Mines of Republic of India and the State Committee of the Republic of Uzbekistan for Geology and Mineral Resources;
 - iv) Memorandum of Cooperation between GAIL (India) Limited and Uzbekneftegaz;
 - v) Work Plan for 2007 under the Memorandum of Understanding for Cooperation in the field of Agricultural Research and Education between the Department of Agricultural Research and Education of the Ministry of Agriculture of the Government of the Republic of India and the Ministry of Agriculture and

Water Resources of the Government of the Republic of Uzbekistan;

- vi) Memorandum of Understanding between State Trading Corporation of India and O'zbekyengilsanoat State Joint Stock Company of Uzbekistan;
 - vii) Memorandum of Understanding between Delhi University and Tashkent State Institute of Oriental Studies.
7. The Sides while recognizing the need to enhance the trade-economic and investment cooperation, agreed to facilitate contacts between the representatives of business circles of the two countries.
 8. The Sides expressed satisfaction with the results of the Sixth meeting of the India- Uzbekistan Intergovernmental Commission on Trade, Economic, Scientific and Technological Cooperation held in New Delhi on 7 March 2006 and underlined the importance of early implementation of the provisions of the signed Protocol.
 9. The Republic of Uzbekistan highly appreciates the inauguration of the Jawaharlal Nehru Uzbekistan India Centre for Information Technology in Tashkent.
 10. The Indian side offered to set up satellite based tele-education and tele-medicine connectivity between India and Uzbekistan to strengthen cooperation in the area of communications and information technology. The Republic of Uzbekistan accepted with pleasure the Indian offer.
 11. The Sides noted with satisfaction the extension of cooperation in the sphere of the personnel training within the framework of Indian Technical and Economic Cooperation (ITEC) programme and other programmes. India offered an increase in the ITEC training slots for Uzbekistan from 100 to 120 from the current financial year. The Sides have agreed to continue intensive interaction in this direction.
 12. India offered to provide financial support to establish the Uzbekistan India Entrepreneurship Development Centre in Tashkent. Uzbekistan agreed to provide necessary support to facilitate the establishment of the Centre.
 13. The Sides expressed confidence that the rich historical and cultural heritage of the two countries provides a strong foundation for

enhancement of all round cooperation and intensification of contacts between scientists, teachers, students as well as artistic and creative personalities.

14. The Republic of Uzbekistan accepted with pleasure the offer of the Indian side to establish the Mahatma Gandhi Centre for Indian Studies at the Tashkent State Institute of Oriental Studies.
15. The two Sides noted the similarity or coincidence of their respective positions on major global and regional issues. Uzbekistan and India, while resolutely condemning international terrorism in all of its forms and manifestations, once again underlined their resolve, on a long term basis, to fight against terrorism, which is one of the most serious threats to international peace and security. In this regard, the two Sides emphasized the need for expeditious adoption of the Comprehensive Convention on International Terrorism within the framework of UN.
16. The two Sides expressed satisfaction with the results of the Second meeting of the Joint Working Group on Combating International Terrorism held in October 2005 in New Delhi and expressed the intention to continue consultations between the corresponding authorities of both states with the aim of coordinating their anti-terrorist efforts.
17. The two Sides expressed their support for the efforts of the Government of Afghanistan to build a strong, united, prosperous and independent country.
18. Both Sides, while considering the current changes in global and regional level stressed the urgent need for reforms of structure and activity of the United Nations Organisation and enhancement of its efficiency in countering new threats and challenges. Uzbekistan once again reiterated its support to the permanent membership of the Republic of India in an expanded UN Security Council. India expressed its appreciation for Uzbekistan's support.
19. The Republic of Uzbekistan noted that the accession of India to the Shanghai Cooperation Organisation as an observer is an important factor in raising the importance of the Organisation and expansion in its abilities to impact positively on regional and global processes.
20. Both Sides shared the opinion that the intensification of cooperation

within the framework of SCO in countering contemporary challenges would promote the development of effective mechanisms in strengthening regional security.

21. The two Sides noted with satisfaction that the discussions and meetings held in Tashkent have made an important contribution to the steady development of mutually beneficial –India-Uzbekistan cooperation, which would serve the cause of further strengthening traditionally friendly relations and multi-faceted cooperation between the two countries.
22. The Prime Minister of the Republic of India H.E. Dr. Manmohan Singh invited the President of the Republic of Uzbekistan, H.E. Mr. Islam Karimov to pay an official visit to the Republic of India. The invitation was accepted with pleasure. The dates of the visit would be decided through diplomatic channels.

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352. Memorandum of Understanding for Cooperation In the field of Oil and Natural Gas between the Ministry of Petroleum and Natural Gas of the Republic of India and the National Holding Company Uzbekneftegaz of the Republic Of Uzbekistan

Tashkent, April 26, 2006

The National Holding Company Uzbekneftegaz of the Republic of Uzbekistan and the Ministry of Petroleum and Natural Gas of the Republic of India (hereinafter referred to as “the Parties”):

Recognizing the opportunity for cooperation created by the long term mutual relationship and joint economic projects;

Noting the importance of a sound energy policy for the stable development of their respective economies, for ensuring the security and well being of their peoples, for fostering greater cooperation in the region and for strengthening their mutual commitment to protecting the environment;

Acknowledging the importance of developing an energy policy that meets the needs of today without compromising the ability of future generations to meet their own needs, that maximizes energy productivity to strengthen their economies and that prevents pollution by reducing the adverse environmental impacts associated with oil and natural gas production, delivery and use;

Noting the opportunities for enhanced economic and commercial cooperation created as a result of economic reforms in India and Uzbekistan designed to give their people opportunities for better jobs and increased trade and investment from around the world;

Recognizing the importance of regional cooperation in achieving the economic, energy and environmental goals of India and Uzbekistan;

Desiring to strengthen the friendly relations existing between the two countries;

Have agreed as follows:

Article I (Objectives)

The Parties shall, based on the principle of mutual benefit, establish the basis for a cooperative institutional relationship and encourage and promote bilateral cooperation in oil and natural gas industry.

Article II (Joint Working Group)

With a view to coordinating the cooperation envisaged by this Memorandum, the Parties shall establish a Joint Working Group (hereinafter referred to as the JWG) within one month, which will be headed by Secretary of the Ministry of Petroleum & Natural Gas of the Republic of India and the First Deputy Chairman-General Manager of National Holding Company Uzbekneftegaz of the Republic of Uzbekistan

The JWG shall consist of representatives designated by the two Parties and shall meet at least once a year alternate in each country on mutually convenient dates. The first meeting of the JWG will be held within 3 (three) months from the date of execution of this MOU.

The JWG may establish committees, for dealing with specific tasks and exchanging of opinions on the overall perspectives of the bilateral cooperation.

The JWG shall be responsible for implementing the action plans to be drawn up by the Group or by the committees, as defined in Articles III & IV.

Article – III (Areas of Cooperation)

In accordance with this Memorandum. the areas of cooperation between the Parties may include, but are not limited to, the following:

1. Establishment of cooperation between Indian and Uzbek companies in undertaking E&P initiatives with subsequent development of newly discovered oil and gas fields and production of petrochemical products in Uzbekistan and bidding by Uzbek companies in various New Exploration Licensing Policy (NELP) rounds for participating in the Indian E&P sector;
2. To undertake joint studies and partnerships to secure oil and gas supply of the two countries by investments in third countries. The Parties agree that opportunities in Central Asia, Southeast Asia, the Middle East and Africa constitute the high priority areas for such cooperation;
3. To encourage execution of large engineering and construction contracts including Oil and Gas Pipeline Projects by Uzbek and Indian companies;
4. To encourage taking up of LPG and LNG Refinery projects by Uzbek and Indian companies in Uzbekistan, India and third countries;
5. Basic and applied research and development in oil and natural gas areas:
6. Research, designing, construction, commissioning, operation and maintenance, and as well as engineering and management in the area of oil and gas related industries;
7. Cooperation for manufacture, upgrading and supply of drilling rigs and petrochemical processing units;
8. Training of specialists, sharing of expertise and technical assistance;
9. Environmental protection including oil spill emergency response systems;

10. Other areas as may be agreed upon by the Parties.

**Article IV
(Forms of Cooperation)**

Cooperation may take the following forms:

1. Exchange and training of scientific and technical personnel, development of joint activities for the personnel;
2. Exchange of available scientific and technical information and data;
3. Opening of economic missions, organization of seminars and setting up working groups;
4. Design, construction, operation, maintenance and management of projects;
5. Transfer of equipment, know-how and technology, on commercial basis;
6. Provision of necessary technical consultancy and services;
7. Joint research or projects in areas of mutual interest;
8. Implementation of projects in third countries;
9. Other forms as may be agreed upon by the Parties.

**Article V
(Information)**

The Parties shall freely use any information exchanged in conformity with the provisions of this Memorandum and Confidentiality Agreement, except in the cases where the Party or authorized persons providing such information have previously made known the restrictions and reservations concerning its use and dissemination.

The Parties shall take appropriate measures in accordance with their respective national laws and regulations to observe the restrictions and to reserve the right to information and to protection of intellectual property rights including commercial and industrial secrets transferred between authorized persons within the jurisdiction of the State of either Party.

**Article VI
(Settlement of disputes)**

The representatives of the Parties shall meet from time to time and consult with each other, at the request of either Party, to review the

implementation of this Memorandum of Understanding or to consider matters arising from its implementation.

Any dispute concerning the interpretation or application of this Memorandum of Understanding shall be settled amicably by negotiations or consultations between the Parties.

Article VII
(Entry into Force and Duration)

This Memorandum of Understanding will be valid for a period of 3 (three) years and shall come into force on the date of signing of the MOU.

The validity of this MOU shall be automatically renewed for another 3 (three) years unless either of the Parties give written notice of its intention to terminate the MOU, 6 (six) months before the expiry of this period.

This Memorandum of Understanding may be amended with the written consent of the Parties. Any such amendment shall enter into force in accordance with the procedures stipulated in paragraph 1 of this Article.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, for this purpose by their respective Government have signed this Memorandum of Understanding.

Done at Tashkent, Republic of Uzbekistan on this 26th day of April 2006, in two originals each in Russian and English languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

**On behalf of The Ministry of
Petroleum and Natural Gas of the
Republic of India**

**On behalf of National Holding
Company UZBEKNEFTEGAZ**

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353. Speech of Prime Minister Dr. Manmohan Singh at the banquet hosted in his honour by Uzbek President.

Tashkent, April 26, 2006.

I would like to express my deep appreciation to the Government as well as the friendly people of Uzbekistan for the very warm welcome and hospitality extended to me and my delegation.

A visit to Uzbekistan is for me an experience that is both moving and replete with a sense of history. We have civilizational ties with Uzbekistan dating back to the dawn of history.

Even up to the early years of the last century in the major cities of Uzbekistan – Samarkand, Bukhara, Khiva – there were communities of Indian traders who lived and worked in harmony with the Uzbek people.

Tashkent is immortal in our memories because of its association with a great son of India – Shri Lal Bahadur Shastri. While paying my respects at Shastriji's memorial this afternoon, I felt a deep sense of gratitude towards the Government and people of Uzbekistan for their enduring tribute to our Late leader.

India was among the first countries to establish diplomatic relations with Uzbekistan in 1992. Of course, even as early as April 1987 we had opened an Indian Consulate in Tashkent.

Mr. President, we applaud the achievements of Uzbekistan in facing multifarious challenges. Your success is important not just for the people of this country, but for Central Asia as a whole. Your visit to India in April last year was an important milestone in consolidating our ties. Uzbekistan has registered 7% increase in its GDP last year. Your plans to attract foreign investment for rapid growth are impressive. India stands ready to be your partner for mutual benefit in sectors ranging from agriculture and science & technology to mining and hydrocarbons. Our trade and economic ties are growing but we must do more. The Jawaharlal Nehru India Uzbekistan Centre of Information Technology in Tashkent, inaugurated today, heralds a new beginning of cooperation in this field.

Our common objective is to seek peace and prosperity for our peoples. Terrorism is a menace that must be fought collectively. Stability and prosperity of Central Asia is in the interests not just of India, but the

world community as a whole. This goal cannot be reached without Uzbekistan, which must lead the way.

I was deeply touched by the popularity of our dances, music and films in your country. We draw inspiration from our unique and enormously rich heritage. Here, I would like to quote from the great Uzbek philosopher and poet, Alisher Navoi, who said 565 years ago:-

“May the Earth be an abode of delight, pleasure, songs and orchards,
May peace ascend to the throne of the world, And let all the peoples gather
for its feast” I thank you once again for your warm hospitality.

I now invite you to join me and raise your glasses in a toast:

- to the good health and happiness of President Islam Karimov and Madam Karimova
- to the well-being and prosperity of the people of Uzbekistan,
- to the ever-lasting friendship between India and Uzbekistn.

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354. Press Release of the Ministry of External Affairs on the meeting of Minister of State Anand Sharma with the African Heads of Mission in New Delhi.

New Delhi, February 10, 2006.

Mr. Anand Sharma, Minister of State for External Affairs, today hosted a lunch for all African diplomatic Heads of Mission in New Delhi. Ambassadors, High Commissioners and other senior representatives of all major countries attended the lunch.

Addressing the distinguished gathering, the Minister referred to India's steadfast support for Africa's freedom struggle and recalled Mahatma Gandhi's comment that India's own independence would remain incomplete until Africa had been liberated from the yoke of colonialism. The Minister recalled his own long-standing association with Africa when it was struggling against colonialism and apartheid and drew attention the Government's continued engagement with the continent.

Highlighting the assistance provided to a number of countries in Africa under the ITEC and Aid to Africa Programmes of the Ministry of External Affairs, he drew special attention to the Hon'ble President's initiative to establish a Pan African e-network, which would help African countries in bridging the digital divide. He also emphasized on the need to develop a regular India-African Union dialogue and to create an appropriate institutional structure for the same.

Thanking the Minister for his initiative to host this interaction with African diplomats so soon after assumption of office, H.E. Mr. Abdalmahmood Abdalhaleem Mohammad, Ambassador of Sudan and Dean of African diplomats acknowledged Mr. Sharma's unflinching commitment to Africa. The UPA Government, he said, deserved compliments for this brilliant appointment, which had sent an extremely positive signal to Africa about the importance that India attached to its ties with the continent. Africa, he said, was genuinely appreciative of all the help that it had received from India during its struggle against colonialism. It was also grateful for India's multifaceted assistance to Africa's economic development. In this context, he said that the Honourable President's Pan African e-network Project would emerge as a major new landmark since this was the first time that any country had attempted to reach out to all countries in the African continent through a single initiative. He emphasized

that this project could have an enormous impact on Africa's efforts to bridge the digital divide in the critical areas of education and healthcare. He also applauded the important role being played by Lines of Credit extended by India to Sudan and to a number of other countries in Africa to enable them to bridge the financial gap for important projects.

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355. Joint Press Conference by Minister of State Anand Sharma and the Leader of ECOWAS Delegation¹, Madame Aichatou.

New Delhi, April 5, 2005.

MINISTER OF STATE FOR EXTERNAL AFFAIRS (SHRI ANAND SHARMA): Good evening friends! I am very happy to inform you that the ECOWAS delegation which is present here led by Minister Aichatou of

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1. Members of the delegation were: 1. Mme Aichatou Mindaudou, Minister of Foreign Affairs and African Cooperation of Niger and Chairperson, Council of Ministers of ECOWAS – Leader; 2. Dr. Mohamed Ibn Chambas, Executive Secreatry, ECOWAS; 3. Senator Lawan Gana Guba, Minister of Integration and Cooperation in Africa of the Federal Republic of Nigeria; 4. Mr. Abdou Aziz Sow, Minister of Integration and NEPAD of Senegal; 5. Dr. Kofi Konadu Apraku, Minister of State for Regional Cooperation and NEPAD of Ghana; 6. Mr. Christian Adovelande, President, ECOWAS Bank for Investment and Development; 7. Mr. Barthelemy Drabo, Managing Director, ECOWAS Regional Investment Bank; 8. Mr. Bachir IFO, Acting Managing Director, ECOWAS, Regional Development Fund, 9. Mr. Remi Gbaguidi, Protocol Assistant to Executive Secretary, ECOWAS.

The Official Spokesperson a day earlier briefed the journalists on the importance of the ECOWAS. He said: "...it was founded in 1975 by 15 West African countries. Its principal objective was to establish Customs Union and a common market to promote free movement of goods and people within West Africa. It also later on evolved into a forum which takes an interest in regional security issues. We have close ties with a number of countries in the ECOWAS region and this relationship has received a boost over last year through the implementation of a number of high profile projects funded through bilateral lines of credit under TEAM-9 and NEPAD initiatives. Bilateral trade with the ECOWAS region currently stands at 2.11 billion USD and it accounts for 27 percent of India's total exports to Africa and 18 percent of our total imports from the continent. India is an Observer to ECOWAS, we became Observer in 2004. Our High Commissioner in Nigeria is concurrently accredited. So, it is the first high level visit from EWOWAS and I think it would be very interesting visit in terms of defining the roadmap of future relations between India and the organization and West African states and possible development of initiatives for closer political cooperation, closer trade cooperation and of course cooperation in multilateral fora."

Niger is the largest ECOWAS delegation to visit India and the first ever high-level delegation, which includes four Ministers and also the Executive Secretary of the ECOWAS.

This is a delegation which has been mandated by the ECOWAS' Heads of States to engage India and expand the relations between ECOWAS and India. It is also indicative of the deepening of relationships between India and ECOWAS countries and also expansion of the areas of cooperation.

The delegation has met with the President today, and also the Finance Minister. We have just concluded the delegation-level talks which were substantive, comprehensive and covered a wide range of areas of cooperation ranging from energy to small-scale industries to cooperation in financial institutions, banking, IT, agriculture and energy.

I am also very happy to share with you that India has the largest lines of credit with ECOWAS countries. We have the TEAM-9 Initiative also. These lines of credit cover a number of countries and also important projects in some of the countries. It is 500 million US dollars. We have agreed today for another 250 million dollars line of credit for the ECOWAS Investment Bank.

During the delegation-level talks we have had presentations from both the sides. Our delegation also included representatives of various Ministries besides our own Ministry of External Affairs, Ministry of Finance, Ministry of Commerce, Ministry of Agriculture, the Advisor of Railway Board, IRCON, RITES, and also the small-scale industries, which is an important area again.

I need not go into the details of the various projects which are under way in countries right from the irrigation projects, the power projects, the tractor assembly projects, or the machine tool projects. As I referred specifically also to the IT, much progress has been made.

Most of you are aware of the visit by our President in 2004 and the offer which the President of India had made to assist Africa in overcoming the digital divide. Now we have reached a stage when it can be operationalised. We have identified five hubs one of which will become operational soon. We heard details of the same in our meeting. On the other four also progress is being made. It will help enormously in the field of telemedicine and tele-education.

This visit is also significant in improving understanding, as I was mentioning, between ECOWAS and India through interaction, because the delegation is a high-level one, with senior leadership of this country. Tomorrow they will also be meeting with the hon. Prime Minister which underscores the importance which India attaches to its relationship with Western Africa and Africa in general.

We have also discussed other issues which include the UN reforms. The outcome has been very reassuring. Both ECOWAS and India are of the shared view that UN is in need of comprehensive reforms. We will be giving a statement listing the areas which we have discussed. I would now request the leader of the ECOWAS delegation Madame Aichatou to address.

LEADER OF ECOWAS DELEGATION (MADAME AICHATOU):

Thank you, Excellency. Ladies and Gentlemen, good evening to all of you. As His Excellency the Hon'ble Minister indicated, we are a high-level delegation from the ECOWAS region in Western Africa. At the summit of the Heads of State of our region last year we were mandated to come to India as a delegation and to have discussions with India on ways of diversifying economic cooperation between India and the ECOWAS region. As you know, political and historical links have always existed between India and Africa. As my colleague the Minister had mentioned, India has always been by the side of Africa where its political liberation was concerned. It has also been at the side of African countries individually and collectively for their economic development. As part of the TEAM-9 Initiative, many members of the ECOWAS countries have also benefited from this TEAM-9 Initiative. They have benefited from both technical and financial assistance from India. And the projects that were started under the TEAM-9 Initiative have started to show a very significant impact in development in the countries. And that is one of the reasons the Heads of State of our countries have mandated us to come to India to discuss various ways of cooperation to look at fighting poverty in our countries. So, we are looking at various projects in infrastructure, telecommunications, agriculture, energy and cooperation in various sectors.

It is our first day here today and I must say it has been a very productive day. We have met some high-level Indian authorities. I am grateful for their availability to meet us for this reason. We are also happy to be informed that there is a line of credit of US 250 million dollars that has been made available to us. This is a very good beginning. The ECOWAS

Investment Bank, which is in charge of all the development projects, will start working very soon on the implementation of these projects and on consuming this line of credit. So, we would very much like to benefit from Indian expertise, the expertise of the Indian private sector in all the projects that are in the various fields that we would like to define together.

Our discussions also related to policies of common interest. We spoke about the reforms of the United Nations and also the enlargement of the Security Council. As the Hon'ble Minister said, we noted that we had a convergence of views on all these issues. Both ECOWAS and India feel the need to have reforms of the United Nations and to enlarge the Security Council so that it is more representative and it is better adapted to the current world configuration.

As far as the ECOWAS is concerned, we support the candidature of India as a permanent member of the Security Council. The member-countries of the ECOWAS have done all that they can within the African Union in order that India achieves this objective as soon as possible. We have also felt the need to have a more comprehensive dialogue between ECOWAS and India and we will formalize a structure for this soon. To conclude, on behalf of the delegation I would like to express my gratitude to the Indian authorities for the warm welcome that has been accorded to us and for all the facilities made available to us during our stay. Once again, I would like to be the representative for the Heads of State of our region and express our gratitude to India for being once again by our side in our struggle against poverty and for the development of our region.

QUESTION (INDIAN MEDIA): It is heartening to know that ECOWAS countries are supporting India on UN reforms and India's candidature for Security Council. But there is a long way to go before G-4 and AU synthesise their position on UN reform. What else can ECOWAS countries do for India to get a seat in the Security Council?

LEADER OF ECOWAS DELEGATION (MADAME AICHATOU): As you know, the process of reforms of the United Nations or the process of reforming the Security Council is going to be a long process. Each of the member-countries of the ECOWAS region has bilateral contacts with India. Each country has expressed its will to do whatever is required to support India's candidature. ECOWAS is a sub-region of the African Union. In the African Union there is no country that is opposed to the candidature of India for a permanent position in the Security Council. However, there is a

procedure that needs to be followed. In different regions of the world discussions have taken place on arriving at a consensus. In some regions it takes a little longer than in others. However, I am sure that we will find a position in collaboration with India on this issue.

{The comments by Madame Aichatou are as translated simultaneously at the Joint Press Conference from French}

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356. Agreed Minutes of the South Africa Development Community (SADC)–India Forum.

Windhoek (Namibia), April 28, 2006.

OFFICIAL OPENING

1. The inaugural session of the Southern African Development Community (SADC) and the Government of India Forum was launched in the Republic of Namibia on 28 April 2006. It was launched in the spirit of a Memorandum of Understanding (MOU) signed between SADC and the Government of India in 1997 to provide a framework for promoting technical co-operation between SADC and the Government of India in all fields of economic activity.
2. The underlying principle for cooperation between SADC and India is based on the mutual political, economic and social history. India has gained positive experience in the development of indigenous technology aimed at utilising Indian resources for the empowering of the people of India. To this end, the key priority for the relationship between SADC and India is aimed at the empowerment of the people in the SADC region and in India through skills exchange and direct foreign investment from the private sector in both India and SADC. This partnership further enhances South-South cooperation.
3. The Forum was co-chaired and addressed by the Chairperson of the SADC Council of Ministers and Minister of Finance and Development Planning of the Republic of Botswana, Honourable Baledzi Gaolathe and the Minister of State for External Affairs of the Republic of India, Honourable Anand Sharma. The Executive Secretary of SADC, Dr Tomaz Salomao made welcome remarks.

4. The inaugural Forum was attended by SADC Ministers and Senior Officials from SADC Member States and the Government of India.

AREAS OF CO-OPERATION

5. SADC and the Government of India have agreed on the following priority areas of co-operation:
 - a) Agriculture, in particular irrigation and dry land farming; agro-engineering; and seed technology;
 - b) Promotion of small and medium scale enterprises and entrepreneurial development; including enhancing trade and investment;
 - c) Health including Drugs and Pharmaceuticals;
 - d) Human Resources Development;
 - e) Water Resources Management; and
 - f) Information, Communications Technology (ICT).

AGRICULTURE

6. The Forum acknowledged that agriculture which provides employment to well over 70% of the population in the region, remains the most important sector for supporting economic growth, poverty alleviation and development for the majority of the SADC Member States. The Forum noted that given this scenario, improvements in the performance of agricultural sector, in line with the Maputo and Dar Es Salaam Declarations on Agriculture and Food Security, can have a positive impact in the betterment of the livelihoods of the majority of the people in the region.
7. Concerning irrigation, the Forum observed that inadequate and inappropriate water utilisation is widely considered to be a key factor in contributing to food insecurity. In order to improve food production of the majority small scale farmers in the SADC region, the Forum called for the empowerment of small scale farmers with appropriate irrigation equipment and infrastructure to enable farmers to capture, store and utilize water for crop production in a bid to improve food security.
8. The Forum agreed on the need to provide individual small scale farmers with low cost affordable technologies. The Forum also agreed

that support in irrigation will also include technical assistance where through an appropriate partnership between engineering companies, such irrigation equipment or their components would be made locally in the SADC region to ensure sustainability of these efforts. Experts from India will work with local counterparts in both private and public sectors.

9. On training, the Government of India agreed to train artisans and technicians from the SADC region in the maintenance and use of irrigation infrastructure and equipment. SADC welcomed the support and will identify suitable candidates.
10. The Forum acknowledged that India is host to the International Centre for Research in Semi-Arid Tropics (ICRISAT) which would facilitate in the exchange of knowledge and technology on dryland farming.
11. The Forum recognised that in much of the SADC region, farmers lack appropriate agro-engineering and industrial skills that can enhance their productivity and add value to their products to improve their income status. In this regard, the Government of India committed to support the SADC region in industry development to develop agro-engineering products including milling/dehalers, textiles, oil extractors, tillage, bio-fuel, etc.
12. The Forum noted that achieving increased crop productivity availability and access to quality seed is crucial as seeds are an important input in all plant based agricultural systems and development because they determine the parameters for yield as well as the productivity of other inputs. SADC welcomed the support of the Government of India in strengthening small scale farmers to become seed growers and entrepreneurs to produce and market seed in their own communities. The Forum further welcomed the Government of India assistance in off-season seed production, community credit schemes and training in seed technology.

TRADE, INDUSTRY, FINANCE AND INVESTMENT

13. The Forum recognized intra- regional trade as the key driver for development and deeper integration within the SADC region and that this process must be supported by sound macroeconomic policies, vibrant financial services, increased investments and industrial development. The Forum further recognised that the SADC

Trade Protocol, which came into force in 2000, is a key element of the SADC programme for regional trade and market integration and industrial development.

14. The Forum noted that the Regional Indicative Strategic Development Plan is proposing an acceleration of the implementation of the SADC Trade Protocol in order to achieve a fully-fledged free trade area by 2008 and to move to a customs union by 2010.
15. The Forum further noted that SADC has consolidated its Finance and Investment Protocol which is due for signature by the SADC Ministers of Finance. The Protocol will lay a firm basis for attracting investment into the SADC region.
16. On trade relations between SADC and India, the Forum agreed to cooperate on specific areas of interest with a view to ensuring that all the sectors are covered in the context of the SADC-India relationship. The Forum further agreed that the immediate sector of interest is the pharmaceutical sector where SADC would like to access quality and affordable drugs and investment in the production of such drugs in the region over time. SADC indicated its interest to access the Indian market in respect of the following products; textiles and clothing, leather products (footwear, clothing and travel ware), fish, processed and semi-processed and dimension stones, agricultural products such as meat, vegetables and fruit, fruit juices and alcoholic beverages, machinery and equipment, steel and other metal products to mention but a few.
17. On trade promotion, the Forum agreed to establish a SADC-India Business Forum to spearhead promotion of trade and investment on both sides. The Forum further agreed that the Government of India facilitates the participation of SADC businesses in India's trade fairs and other exhibition activities.
18. With regard to Cooperation in Multilateral Trade Negotiations, the Forum agreed that SADC and India face common challenges in this area. Therefore, there is need to collaborate in Multilateral Trade Negotiations in order to ensure that common interests are effectively safeguarded and promoted.
19. Concerning the promotion of small and medium scale enterprises, the Forum observed that India over the years has thrived on the

operations of SMEs to generate employment and economic activity. SADC further noted that India has capacity in the development of small machinery and equipment that are suitable for small production purposes. Given the fact that India has experience in agro-industry development, and in particular, in small ginneries and textile mills; wheat and maize millers, oil extraction and food canning, the Forum endorsed the promotion of SMEs and entrepreneurship development in this area.

SOCIAL AND HUMAN DEVELOPMENT

20. The Forum noted that SADC was pursuing a broad and developmental integration agenda that accords priority to social development in view of its crucial role both as a factor and as a more comprehensive measure of development. To this end, policies, strategies and programmes have been put in place in the relevant priority areas of human resources development, education, health, social protection, nutrition, water supply, employment/income generation, culture, gender equality and empowerment of women.

HUMAN RESOURCES DEVELOPMENT

21. On Capacity Building in Education Policy Development, Planning and Management, the Forum noted that SADC Region continues to accord priority to addressing challenges faced in meeting critical human capital needs and developing capacities for promoting access to quality and relevant education in line with Millennium Development Goals (MDGs) and regional commitments such as the Dakar Goals and the NEPAD Education Initiative. With the support of SIDA, Netherlands Government and World Bank, the SADC region has been implementing the Education Policy Support Initiative (EPSI), which aims at building and improving capacities for educational policy development, planning and management in Member States. The major conclusion of the first phase of the project is that the Project has created a basis for addressing capacity constraints in the area of education policy development and management in the region. In this regard, the Forum endorsed SADC/India cooperation in the following areas:

- Development and Strengthening of Education Information Management System;

- Strengthening of the three Centres of Specialisation at Universidade Pedagógica, University of Dar-es-Salaam and at Wits in South Africa established by the EPSI Project;
 - Improving research and the promotion of education policy dialogue through policy forums
22. On Capacity Building in Public Administration and Management, the Forum noted that limited capacities and shortage of managerial skills in the key sectors of the region are some of the major challenges faced by the SADC Region. In order to address this problem a training programme is being implemented under the Centre of Specialisation in Public Administration and Management (CESPAM). To augment this initiative, the Forum endorsed SADC/India cooperation in human resources development to provide training in priority areas through scholarships and exchange programmes.
23. On post-graduate and specialist training the Forum noted that the main challenges in the SADC Region include limited access to higher education and training, insufficient supply of skilled labour, lack of comparable standards and qualification across the region, shortage of critical specialist skills, which are vital for productivity and competitiveness, high cost of required infrastructure and exodus of post graduates and specialists to countries outside the region. In this regard, the Forum endorsed SADC/India cooperation through scholarships and exchange programmes.
24. On knowledge networking and capacity building, the Forum noted the proposed regional Multidisciplinary Centre of Excellence (RMCE) in which three main ICPs namely IMF, World Bank and EU are involved. The RMCE would consist of a network of private and public institutions in and outside the region that would deliver training, research and technical assistance. The aim of the initiative is to build capacity for the policy reform agenda of African countries i.e. empowering African countries to design and implement their own development strategies with the assistance from development partners.

Health

25. The Forum took note of the burden of communicable and non-communicable diseases in the SADC region and also noted that

India shares a similar disease profile. It was agreed that priority will be in the following areas:

a) Malaria

The Forum resolved that in the control of Malaria, the development of combination therapy for treatment and the use of IRS and ITNs in vector control be pursued

b) Tuberculosis

India and SADC should share experiences in MDR-TB as well as improve the development of fixed dose therapy in order to reduce the pill burden on the patient.

c) HIV and AIDS

Collaboration to improve the availability of affordable ARVs

d) Non Communicable Diseases

In this area, India and SADC will share experiences in the management of non-communicable diseases. Furthermore, there should be collaboration in the use of IT especially in Telemedicine in health care delivery

e) Drugs and Pharmaceuticals

The Forum acknowledges that the SADC region needs to be self sufficient in the supply of essential medicines. However, India can collaborate with the region in building capacity in the production of essential medicines and other pharmaceuticals. In addition, India would provide platform for technology transfer, research and development in traditional medicines as well as protection of local ownership and protection of indigenous rights.

WATER RESOURCES MANAGEMENT

26. The Forum noted the SADC Regional Strategic Action Plan on Integrated Water Resources Management and Development (RSAP-IWRMD) whose objectives are to provide a framework for sustainable, effective and efficient planning and management of shared river basins at regional and related national levels; promote and support strategic infrastructure development for regional integration, socio-

economic development and poverty alleviation; develop, promote and facilitate best practices regarding effective participation by various stakeholders in water resource development and management; and strengthen human and institutional capacity for sustainable management of water resources at basin, national and regional level.

27. In this regard, the Forum endorsed the SADC/India cooperation in sharing best practices in the management and development of shared watercourses; strengthening of the newly established river basin organizations (RBOs); implementation of the Regional Strategic Water Infrastructure Development Programme; and capacity building in the various aspects of IWRM through experiential learning and staff exchange programmes.

INFORMATION, COMMUNICATIONS TECHNOLOGY (ICT)

28. The Forum noted the challenges faced under the implementation of the SADC Declaration on ICT which include regulatory aspects, capacity building and ICT for development.
29. The Forum also note that the Government of India was participating in a VSAT (Very Small Aperture Terminal) based Tele-medicine & Tele-education Infrastructure project for Pan African Countries. The objective of the project is to connect all the 53 nations of the African Union by Satellite, microwave, terrestrial and Fiber Optic network to provide better and broadband connectivity among the African nations. In addition, the project will be coordinated with other broadband communication infrastructure initiatives on the African continent. The proposed network infrastructure would primarily be used for Tele-medicine, Tele-education, Internet and Video conferencing. In addition the network can be expanded to support e-governance, e-commerce, infotainment, resource mapping and meteorological services.
30. In this regard, the Forum endorsed the SADC-India cooperation to include exchange of expertise to strengthen and support the development of regional and national ICT policies.

WAY FORWARD

31. The Forum agreed on the following way forward:

- a) Experts from India would visit the SADC Secretariat to agree on the scoping of the specific projects that have been endorsed for cooperation between the two parties;
- b) Specific project proposals would be developed for each priority area of cooperation;
- c) Supplementary to the existing MOU between SADC and India, agreements regarding specific projects in the areas of cooperation would be concluded between the two parties, which shall make provision for the extent of participation by each party in such projects and financial, administrative and other aspects of the projects as required.

CONCLUSION

32. The Forum¹ agreed to maintain the momentum gathered by making follow-ups to ensure that projects are implemented. To this end, The Forum recognized the importance of meeting at least once a year at a mutually agreed time and place to pursue issues of mutual interest. The Forum also agreed that a Joint Senior Officials Meeting will precede the Forum to prepare documentation for the Forum.
33. The Forum thanked the Government and the people of the Republic

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1. On April 21 Official Spokesperson briefed the media on the importance of India's relations with the SADC and said: "SADC constitutes one of the most important regional organizations in Africa and its 14 member countries are Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe and Madagascar. India attaches utmost importance to further strengthening its relationship and ties with SADC in different sectors. SADC believes that the Indian success in tackling the problems of development through democracy is a paradigm of considerable importance and interest to its members. India's commercial and economic links with SADC member countries have registered a marked improvement in recent years with trade more than doubling from US\$1.5 billion in 1997 to over US\$4 billion in 2004-2005. It is essential to keep up this pace of growth and to deepen our links in the economic and other arenas. In order to further strengthen the already close ties between India and SADC member states, the India-SADC Forum meeting will identify the following areas for special focus:
 - Food, agriculture and natural resources
 - Water resources management
 - Trade, industry, finance and investment
 - Small and medium enterprises and entrepreneurial development

of Namibia for their generous hospitality. It expressed appreciation for the excellent facilities made available that indeed contributed to the successful deliberations. The Forum also thanked Ministers and their delegations from the SADC region and from the Republic of India, the SADC Secretariat for its tireless efforts and contribution to the success of the Forum.

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- Human resources development
 - Drugs and pharmaceuticals
 - Information and Communications Technology With the launch of the India-SADC Forum, India will be formally included in the select club as an International Cooperating Partner (ICP) of the SADC.

India looks forward to increased cooperation with member countries of SADC, both bilaterally and multilaterally, as a part of our policy to fostering close links with Africa as a whole.”

357. Press Release issued by the Embassy of India in Addis Ababa on the Pan African e-Network Project for Tele-education and Tele-medicine: Cote d'Ivoire, Gambia and Djibouti sign agreements.

Addis Ababa, June 21, 2006.

Several countries of Africa have shown interest to bring benefits of healthcare and higher education to their people by making use of the Indian offer of tele-medicine and tele-education through the Pan African e-Network programme. In the past one week, three countries have signed agreements with the Telecommunications Consultants India Limited (TCIL), a government of India enterprise, to participate in the programme. The Ambassador of Cote d'Ivoire signed the agreement in New Delhi on 15th June, while for Gambia it was signed by Her Excellency Ms. Neneh Macdouall-Gaye, Secretary of State for Communications, Information and Technology on 16th June in Addis Ababa. The Ambassador of Djibouti in Addis Ababa signed on behalf of his country on 21st June 2006 in the presence of Ambassador H.E. Mr. Gurjit Singh. With this, eleven countries in Africa have signed the agreements with the TCIL: Burkina Faso, Burundi, Cote d'Ivoire, Djibouti, Ethiopia, Gambia, Ghana, Mauritius, Tanzania, Senegal and Seychelles. Many other countries of Africa have expressed interest to participate in the programme.

The hub for the Network is to be located in Africa, for which Senegal, Mauritius and Ghana had submitted their proposals for hosting it to the African Union Commission. On the basis of recommendations made after detailed evaluation including visit by experts to the three countries, the Chairperson of the AU Commission has decided that it would be located in Senegal. Bids have also been received by the AU Commission to host the five Regional Leading Universities and five Regional Super Speciality Hospitals (SSHs) of the Network in Africa.

A high level Indian delegation had made a detailed presentation of the proposal in May 2005 to the Chairperson of the AU Commission and representatives of various Pan-African organizations in Addis Ababa. The Commission found the Indian proposal in line with the means and objectives of the African Union, with tremendous potential for achieving the Millennium Development Goals (MDGs) through use of innovative Information Communication Technology.

The Pan African e-Network Project is an initiative of H.E. Mr. A.P.J. Abdul Kalam, the President of India, to use the Indian expertise in information technology to bring benefits of healthcare and higher education to all countries of Africa, including in remote areas. He made this proposal and offer at the inaugural session of the Pan-African Parliament in Johannesburg on 16th September 2004.

The Network will be connected by a satellite/fibre optical network to provide tele-medicine, tele-education and VVIP connectivity to these countries. The current total project cost is about US\$ 105 million, which will be a total grant from the Government of India. The Ministry of External Affairs, New Delhi is responsible for the project, while the TCIL is the implementing agency. Each country of Africa is required to sign a Country Agreement with the TCIL to participate in this project. The Network will consist of 5 regional universities, 53 learning centers, 5 regional Super Speciality Hospitals and 53 remote hospitals in all countries of Africa. There will be 6 universities and 5 Super Speciality Hospitals from India linked into the Network. The six Indian educational institutions include the Indian Institutes of Science, Indira Gandhi National Open University (IGNOU), Universities of Madras, Mumbai and Calcutta, and the Indian Institutes of Technology (IITs). The Indian government has already provided a list of courses offered by these six institutions to the AU Commission, which range from Diploma level to the Post-Graduate studies in different disciplines and can be chosen by each country in accordance with its priorities and national education strategy. The tele-medicine connectivity will enable the SSHs to provide expert services to the 53 remote hospitals that are equipped with the required medical equipments like ECG, ultrasound, pathology and X-ray at each location. India will also provide tele-medicine facility at the AU Medical Centre in Addis Ababa.

Ethiopia will be the first beneficiary of the project in Africa, for which a pilot project is already in an advanced stage of implementation. The nodal centers for tele-education and tele-medicine will be located at the Addis Ababa University and the Black Lion Hospital respectively, with remote centers at Alemaya University and Nekempt Hospital. It is intended to start the tele-education component of the project in Ethiopia in July 2006. The cost of the pilot project for Ethiopia is US\$ 2.13 million, which will come fully as a grant from India.

358. Interview of Minister of State Anand Sharma with the *Statesman* on relations with Africa.

New Delhi, May 20, 2006.

[In his first stint as a minister in the Union government, Anand Sharma made a blistering start, starting off the blocks with a trip to Brazil just 48 hours after taking his oath of office as minister of state for external affairs. Before his ministerial debut, Mr Sharma had been senior AICC spokesman for many years and was recognised as an important Congress face. Even during his long involvement in party organisational affairs, Mr Sharma's forte was known to be foreign affairs.] [The articulate Rajya Sabha MP has now been provided with a platform at the central government level to deliver the goods in his preferred domain. He has mostly visited countries in Africa and South America so far, regions that have languished in the backwaters of Indian foreign policy till now. A visible difference after Mr. Sharma's first 100 days in office was the increase in visits by delegations from African nations to New Delhi. In an exclusive interview, Mr. Sharma spoke to Devirupa Mitra on various foreign policy issues, particularly India's growing engagement with African nations. Excerpts.]

How has your tenure in office been?

It has been absorbing and interesting. At the same time, it has been a very hectic period as there were high-level visits by President Bush, Mr Jacques Chirac, the Australian Prime Minister and by several foreign ministers' delegations.

A major thrust of your tenure so far has been Africa...

It's not just Africa, even Latin America is on my radar. But it has certainly been my effort to re-energise our engagement with Africa, based on our traditional links and shared experience.

So you do admit that our efforts in Africa had not been up to the mark before?

No, I cannot take credit for this (the current focus on Africa). But the right way to describe this (my efforts) is the intensification of our engagement. Wherever I have gone, we have convened a meeting of the heads of missions. This gives us a first-hand account of the regional situation and sorts out the priority areas. In South Africa, we had bilateral meetings,

at which I met the President and senior Cabinet ministers. There, I also met the heads of missions of SADC countries. Later, I went to Chile, where I met South American ambassadors in Santiago. I was also the first foreign minister from Asia to meet the new Chilean President (the first woman head of state in South America). Then, I went to attend the IBSA in Rio, which also included a business conclave. An important visit to India was that of the ECOWAS (Economic Community of West African States) ministerial delegation. They came at my invitation to India and were armed with the mandate of the heads of states. Then, we have so many projects with Team-9, Nepad (New Partnership for Africa's Development), Comesa (Common Market for Eastern and Southern Africa), et al. Recently, I went to Windhoek (Namibia) for bilateral meetings and to meet the SADC. We launched the SADC-India forum. Soon, I will go to Accra to attend the second ministerial meeting of Team-9. From there, I will go straight to Kuala Lumpur to attend a preparatory meeting of the non-aligned movement.

You have a personal rapport with African leaders...

Africa does accept me as a friend. As the chairperson of India's anti-apartheid association, I do have personal relations with some African leaders like President Mbeki.

The Chinese President, Hu Jintao, recently visited three African countries in a very visible tour. It seems that China has taken away the limelight in Africa...

We have nothing to do with China's forays (in Africa). We have genuine relations with Africa. We are not going there to take away business, but to participate in their development process, through projects in food security, agriculture, health service training programmes and ICT. We have proactively supported their anti-colonial liberation struggle. There is a fund of goodwill for India in Africa.

How are you addressing the concerns of India Inc in doing business in Africa? For example, there had been some problems in registering pharma companies in some countries at one time.

I don't think pharmaceutical companies face such problems today. The African nations are aware that their quality control is of international standard. Also, we are taking up the matter of registration of companies, wherever it comes up. We want to encourage Indian companies to set up manufacturing and production units there.

One of the issues that has come up is that several of the African countries do not have Indian missions...

It is true that especially in West and Central African nations, we are not adequately represented. For a start, we are re-opening our mission in Kinshasa. We have plans for opening five more missions in that region. Also, we may increase our presence in Latin America, if required

What about any high-level visits to the continent?

The Prime Minister will visit South Africa and Tanzania later this year to mark the centenary celebrations of the Satyagraha movement. We are planning the PM's visit to some other southern African nations and to West Africa.

(The interviewer is Special Representative, The Statesman, New Delhi.)

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359. Press Release of the High Commission of India in Ghana on the visit of Minister of State Anand Sharma to Ghana for the meeting of Foreign Ministers of TEAM-9 countries. Accra, May 26, 2006.

A meeting of Foreign Ministers of TEAM-9 countries was held at the Conference Centre at India-Ghana Kofi Annan Centre of Excellence in ICT in Accra on 26 May 2006. Mr. Anand Sharma, Minister of State for External Affairs, Government of India as well as Ministers or their representatives from TEAM-9 countries and senior officials participated in the meeting. Ministers took stock of the various projects that are under execution under the credit provided by the Government of India under TEAM-9 and discussed other related issues.

The closed door meeting was followed by a briefing session in which the Indian Business delegation briefed TEAM-9 Ministers and senior officials of the TEAM-9 member countries about the status of various projects and issues relating to them.

TEAM-9, a Techno-Economic Approach for Africa-India Movement, was set up between India and eight Western African Countries namely Ghana,

Burkina Faso, Chad, Cote d' Ivoire, Equatorial Guinea, Guinea Bissau, Mali and Senegal in March 2004 to accelerate economic, social and cultural development of the member countries through transfer of technology, know-how and knowledge management involving governments, experts and entrepreneurs. Niger was subsequently included in TEAM-9. Under this initiative, India has announced concessional Line of Credit of US\$ 500 million for the priority projects and cooperation schemes in nine member countries in areas such as agriculture, industry, infrastructure, science and technology and training etc. Agreements amounting to US\$ 282 million have already been cleared for various projects with the member countries, of which two agreements worth US\$ 60 million, relating to the 'Construction of Seat of Government and the Presidential Office Complex' and 'Rural Electrification' have been signed with Ghana and are under execution.

H.E. President of the Republic of Ghana laid the foundation stone of the new 'Seat of Government and the Presidential Complex' as a symbol of India-Ghana Friendship on 26 May 2006 at Flag Staffhouse. Minister of State for External Affairs of India Mr. Anand Sharma was also present at the ceremony. Other dignitaries present on the occasion included Ministers of Ghana Government, Chiefs, Senior Officials and members of Diplomatic Corps.

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360. Interview of Minister of State Anand Sharma with the daily *Deccan Herald* on the theme: "Africa, Latin America have remained on Indian radar".

June 11, 2006.

Deccan Herald: There is a general perception that India has shed its traditional role as a leader of the developing world, now that it is beginning to get into big league in international diplomacy. How do you look at this perception?

ANAND SHARMA: The perception is not correct. It is based on uninformed inputs. India has fully energised its relations with our traditional friends in the developing world, especially in Africa and Latin America. During the last four months, we have institutionalised India's partnership with all major sub-regional groups of Africa and Latin America. On our initiative, we had meeting with Team-9, Southern African Development Community (SADC), Economic Community of West African States

(ECOWAS), and Common Market for Eastern and Southern Africa (COMESA). We have committed close to US \$1 billion in socio-economic developmental assistance in Africa. In the last four months' alone, we have received here Foreign Ministers from 25 African and Latin American countries. I can also say with confidence that our abiding commitment to NAM was acknowledged even as recently as a few days ago when I attended the pre-summit NAM Ministerial meeting in Kuala Lumpur.

DH: But isn't it a fact that last year we could not mobilise the support of African countries for the G-4 (India, Germany, Japan and Brazil) resolution in the General Assembly on UN Security Council expansion?

ANAND SHARMA: That is not correct. The impression that we could not garner support among African countries is based on wrong premises. We were in constant touch with AU members. Unfortunately, there are internal dynamics in the AU. They could not bring out an internal consensus on the nature of the Security Council expansion. We have since engaged a large number of African countries. I myself have visited Africa thrice since I took charge four months ago. We hope that the forthcoming AU summit in Banjul (Gambia) on July 1-2 will reach a consensus on the Security Council expansion.

DH: Perhaps, for more than a decade, no Indian Prime Minister has undertaken a bilateral visit to any African country. What does that suggest? Relative neglect of the continent?

ANAND SHARMA: As I have said we are intensifying our engagement with Africa. This year South Africa will celebrate the completion of 100 years of Gandhiji's satyagraha launched in that country. There is a proposal for the Prime Minister to visit South Africa to take part in functions to mark the historic occasion. Besides this, we are also working on proposals for Prime Ministerial visits to some other African countries. You will see our engagement with Africa gaining further momentum in the coming months.

DH: At a wider level, haven't we also lost to some extent our traditional leadership position in the NAM that brings together developing countries from all continents?

ANAND SHARMA: Look, there is neither any deviation nor dilution of our traditional foreign policy. True, we are engaging major powers in all regions of the world to build strategic partnerships with them. That can be

only expected as our foreign policy initiatives are primarily guided by our objective of promoting India's national interests and our long-term objectives. But I can tell you from my recent interactions at the NAM foreign ministers meeting that we continue to be important in NAM. We are involved in every critical NAM fora.

DH: Did you take up our case for Security Council membership in the NAM meeting?

ANAND SHARMA:UN Security Council reform agenda was one of the core subjects of discussion in Kuala Lumpur. UN reforms, democratisation of the world body's various institutions will prominently figure at the NAM summit at Havana in mid-September. Our Prime Minister will attend the Havana summit. We hope the summit outcome would create a favourable atmosphere for this year's General Assembly session which will start soon after the summit.

DH: Will the G-4 be relevant for pushing the Security Council expansion issue again since Japan had distanced itself a bit late last year?

ANAND SHARMA:G-4 is still relevant. Japan has come back to its ambit.

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361. Press Release of the Embassy of India in Gambia on the visit of India's Candidate Shashi Tharoor for the post of UN Secretary General to the AU Summit in Banjul.

Banjul (Gambia), July 3, 2006.

Mr. Shashi Tharoor, Under Secretary General at the United Nations and India's candidate for the post of the UN Secretary General visited Banjul (The Gambia) from June 29 – July 1, 2006 to interact with African leaders during the African Union (AU) Summit in Banjul, and seek their support for his candidature.

Mr. Tharoor addressed an Informal Session of the AU Executive Council at the level of Foreign Ministers on 30 June, in both French and English. He presented his candidature at this august gathering in the

framework of India's traditionally close relations with African countries and his impeccable credentials. Spelling out his vision for the United Nations, he emphasized that both continuity and change were important. He recalled Mahatma Gandhi's exhortation that those who want change should become a part of it. Mr. Tharoor's address was received with overwhelming acclamation. Mr. Tharoor was a special invitee at the State Banquet hosted by the President of The Gambia.

Mr. Tharoor met with Heads of State/Government, Foreign Ministers and other dignitaries from a large number of African countries. African leaders responded to Mr. Tharoor's candidature in highly supportive terms, underlining the warmth and friendship characterizing the relations between India and African countries. They appreciated that Mr. Tharoor had chosen the AU Summit to launch his campaign after his candidature was officially announced by Government of India.

Government of India's delegation to the AU Summit, led by Mrs. Shashi U. Tripathi, Secretary (West) coordinated the programme of Mr. Shashi Tharoor's visit and requested support for his candidature during their meetings with African leaders.

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362. Non Paper given by India to the G-8 Summit: "India's Partnership with Africa".

St. Petersburg, July 16, 2006.

India's relations with Africa are built on the strong political foundation of the past. We were close partners with Africa in the fight against colonialism and apartheid. The goodwill of the past is evident in the close relationship that India has today with the countries of the African continent.

2. India is today looking at the more contemporary challenges of economic and social development in its relationship with Africa. The relationship is not one of donor-recipient but of partnership for mutual benefit.

Technical assistance:

3. The Indian Technical and Economic Cooperation Programme (ITEC) is almost four decades old. It has enabled us to share a wide range of training facilities and project expertise with our friends from Africa. India's

development experience has a special relevance for African requirements. Over the last five decades, through an incremental process of trial and error, we have forged a development paradigm that – within the context of a diverse, pluralistic democracy – is truly unique. Our approach has focused on strengthening ‘South-South’ linkages and promoting self-reliance through transfer of technologies appropriate to the needs of our partners. In monetary terms, we have spent over a billion dollars on our cooperation programmes with Africa and continue to provide training annually to almost 1,000 officials in various capacity-building programmes. This is apart from the over 15,000 African students who join Indian Colleges and Universities every year.

Lines of credit:

4. We recognize that technical assistance alone is not enough. The process of economic development also requires access to low cost capital. We are not a rich country in terms of per capita income but the accumulation of a relatively comfortable level of foreign currency reserves has enabled us to offer concessional lines of credit. Taken together with our lines of credit to individual countries, our offers of \$ 200 million for the New Partnership for Africa’s Development (NEPAD) and \$ 500 million for Team 9 [Techno-Economic Approach for African Movement – an initiative that brings together India and 9 countries of West and Central Africa] add up to almost \$ 1 billion. This is being used as a catalyst to build genuine, productive and sizeable partnerships in sectors like railways, construction, electrification, irrigation, food-processing, agricultural machinery and cotton spinning.

Pan-African Satellite-based connectivity:

5. Our scientists have placed us in a leadership position in a wide range of satellite-based technologies, Our communication, educational, remote sensing and meteorological satellites are enabling us to bring the benefits of tele-medicine, tele-education, resource mapping and weather forecasting to some of the remotest parts of our country. During the visit of our President to Africa in September, 2004, we announced our willingness to share the benefits of these technologies with our friends in Africa. The Indian Space Research Organisation has developed an ambitious plan to connect the 53 countries of Africa through a network that uses satellite, fiber optic and wireless links. We would, in partnership with the African Union and individual countries of Africa, be establishing a network that links learning centers, Universities and hospitals in every country of Africa with counterpart institutions in India that have a proven expertise in these fields. After many rounds of extensive discussions, the Government of India

and the African Union signed the MOU for the project on October 27, 2005. Project execution is presently underway.

Projects:

6. India provides assistance for project related activities, such as feasibility studies and consultancy services, apart from actual project implementation. The assistance provided is comprehensive and includes training as well as deputation of Indian experts. India has contributed to a very large number of projects in Africa. An illustrative list of projects established with Indian assistance is as follows:

- Lilongwe Water Supply System in Malawi
- Ebene Cyber City Project in Mauritius
- Kofi Annan IT Centre for Excellence in Ghana
- Entrepreneurship Development Centre in Senegal
- Nigeria Machine Tools in Nigeria
- Plastic Technology Centre in Namibia
- India Farmers Project in Burkina Faso
- Village Electrification Projects in Soune and Touly in Senegal
- Gandhi Memorial Hospital in Ethiopia

Peace-Keeping Operations:

7. We fully recognize the importance of a stable polity as a pre-requisite for economic progress. The legacy of longstanding conflicts has left its scars on many parts of Africa. We hope that the vision and determination of the African Union and of Africa's contemporary leaders will soon make such conflicts a thing of the past. From our side, we will continue to support peace-keeping efforts wherever required. We have done so from the time of the conflict in Biafra. In more recent times, the contribution of our troops has been widely recognized in Ethiopia, Somalia, Sierra Leone and Eritrea. Even now we have over 3500 soldiers in the Democratic Republic of Congo and over 1500 Indian soldiers on the Ethiopia-Eritrea border. Our defence personnel have not only worked with troops from other nations to bring peace but have also distinguished themselves for the exemplary fashion in which they have contributed humanitarian assistance and participated in development activities in the areas where they have been deployed.

363. Statement by Permanent Representative at the UN Ambassador Nirupam Sen in the Security Council open debate on “Peace Consolidation in West Africa.

New York, August 9, 2006.

Please See Document No. 555.

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364. Press Release of the Ministry of External Affairs on the visit of a Ministerial delegation of Common Market of Eastern and Southern Africa (COMESA).

New Delhi, October 6, 2006.

1. On invitation of Government of India, a twelve-member high level delegation from COMESA (Common Market for Eastern & Southern Africa) led by the current Chairman of the COMESA Council of Ministers, H.E. Mr. Mitali Kabanda Portais, Hon’ble Minister of Industries, Commerce & Investment Tourism and Cooperation, Republic of Rwanda arrived in Delhi on 4th October, 06. Official level delegation talks were held between the COMESA delegation and the Government of India representatives from various ministries led by Secretary, MEA, Shri N. Ravi on October 5, 2006.
2. This was followed by ministerial level meeting at Hyderabad House on October 6, 2006. The Minister of State for External Affairs, Shri Anand Sharma chaired the event.
3. COMESA has identified India as its strategic partner to assist it in its ambitious development programme. COMESA, with 405 million people encompassing 20 countries stretching from Egypt and Libya, to Zambia, to Mauritius and Seychelles, is the single largest economic grouping in Africa. The organization has set ambitious goals to achieve economic integration through development of vital sectors like Agriculture & irrigation, mining, infrastructural inputs like rail, road, water linkages and power. They are also moving towards forming a common market, a customs union and other steps to create a truly integrated regional grouping.

4. COMESA has had linkages with developed countries to help it achieve its goals. However, lately it has expressed some dissatisfaction at the conditionalities imposed that tend to slow down the whole process.
5. It is in this context that COMESA has now come to identify India as a natural partner, based on a long record of association, assistance and shared ideals and experiences. The rapid progress made by India in the recent times has attracted the COMESA member countries who would like to replicate that success in their region.
6. The region is very rich in resources including oil, minerals and extensive land which can be used for commercial farming. It is keen to attract investors from India in all sectors.
7. Presently, relations between India and COMESA have been established firmly by signing of MOU for cooperation in February, 2003. Since then, India has been extending assistance to COMESA countries including deputation of experts on irrigation to study the irrigation potential of some of the COMESA member countries.
8. Two sides have recently expressed desire to enhance and upgrade the bilateral relations. The present ministerial level delegation reflects the desire of the two sides to upgrade the partnership and to explore areas of mutual cooperation. COMESA has expressed its strong desire to seek India's assistance in various fields including irrigation, enhancement of trade and investment, infrastructure projects like Railways and power project. They have also sought India's assistance in capacity building in various fields including education, science & technology, low cost housing, agriculture, SMEs etc. Following this, a concrete plan of action is to be formulated to carry out the various proposals that emerged in the course of discussions.
9. Besides the Minister from Rwanda, the COMESA delegation also included Ministers from Zimbabwe, Uganda and Mauritius, the Secretary General of COMESA and senior officials from the Secretariat. The Vice President of Burundi who is in New Delhi on bilateral visit also joined the COMESA Meet.
10. At the end of official talks, a joint communiqué was signed, a copy of which is attached.¹

1. Please See Next Document.

11. The delegation will also be participating at CII Africa- Partnership Conclave, New Delhi (October 9-11, 2006), along with delegations from several other African countries. The Conclave will provide the private sector linkages to this emerging partnership between India and COMESA.

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365. Communique issued on the bilateral meeting between the Government of the Republic of India and the delegation of the Common Market for Eastern and Southern Africa (COMESA).

New Delhi, October 6, 2006.

The Government of the Republic of India and the Common Market for Eastern and Southern Africa (hereinafter referred jointly as "the Parties") and Southern Africa (hereinafter referred jointly as "the Parties") held a bilateral meeting in the City of New Delhi, India on the 6th day of October 2006 to enhance cooperation and consolidate the partnership established through the Memorandum of Understanding signed in 2003.

Prior to the bilateral meeting, the COMESA delegation paid a courtesy call on His Excellency Dr. Abdul Kalam, President of the Republic of India who outlined his vision for increased India – Africa trade and investment cooperation.

The Delegation of the Government of India was led by Hon. Mr. Anand Sharma, Minister of State for External Affairs.

The Ministerial Delegation of the Common Market for Eastern and Southern Africa was led by the Chairperson of the COMESA Council of Ministers, Hon. Protais Mitali who is also the Minister of Industry, Tourism and Cooperative of the Republic of Rwanda.

The full list of the delegations is given in the annex to this Communique¹.

At the end of the meeting the Parties:

1. Not included here.

Observed the strong historic levels of cooperation in the political, economic, cultural and social fields between the Government of India and COMESA Member States;

Noted with appreciation the role of India played in the liberation struggle of the people of Africa and in particular the COMESA Region;

Appreciated that the people of India and the people of COMESA Region share vision and principles regarding cooperation as a basis of a just and equitable political, social and economic global system;

Acknowledged the emerging trade and investment opportunities in COMESA and shared interests for mutual benefits with the deepening of regional integration;

Further noted with appreciation the ongoing support extended to the Eastern and Southern Africa Trade and Development Bank (PTA Bank) by Exim Bank of India through the provision of various credit lines to the private sector in the COMESA Region;

Noted Exim Bank's offer to take up a modest equity in the PTA Bank;

Witnessed with appreciation the proposal for concluding of a Memorandum of Understanding between the COMESA Business Council and the Indian Chambers of Commerce and Industry to enhance trade and investment between India and COMESA Member States; and the agreement to establish the COMESA – India Business Council.

Acknowledged the need for continued support by India to COMESA in the development of low cost building material, pharmaceuticals and irrigation;

Agreed to advance Institutional Capacity Building through twinning of COMESA centers of excellence in member states with similar institutions/ centers in India in the field of science and technology, ICT, engineering, medicines including ARVs and HIV vaccine.

Agreed to further explore the possibility of Government of India's participation in the PTA Bank and the African Trade Insurance Agency;

Agreed to consider assisting the COMESA Regional investment Agency in capacity building;

Agreed to consider modalities for the Government of India and the Indian Private Sector to participate in the business activities of COMESA Institutions such as the COMESA Re-insurance Company (ZEP – RE), the leather and Leather Products Institute and COMESA Metallurgical Industry Association (COMESAMIA);

Agreed to cooperate in production of agro-in-puts, specifically seeds, fertilizers; in agro-processing and in the area of small, medium and micro enterprises;

Agreed to cooperate in the development of common position on issues of common interest to both parties in multilateral negotiations;

Agreed to commence discussions towards the conclusion of a Comprehensive Economic Partnership agreement (CEPA) between India and COMESA;

Agreed to establish COMESA – India Joint Commission in different sectors that will review cooperation issues at Ministerial level biannually and

Agreed to exchange drafts for conclusion of a Double

Taxation Avoidance Agreement and Investment Promotion and Protection Agreement.

Done and signed at New Delhi, in the Republic of India on the 6th day of October 2006.

**For and on Behalf of the
Common Market for Eastern
And Southern Africa (COMESA)**

**For and on Behalf of the
Government of India**

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ANGOLA

366. Joint Statement issued during the visit of Angolan Foreign Minister João Miranda.

New Delhi, May 10, 2006.

1. As part of the ongoing efforts to strengthen bilateral co-operation between India and the Republic of Angola, Mr. Joao Miranda, Foreign Minister of Republic of Angola is paying an official visit to India from May 10 - 13, 2006. His programme includes meetings with Shri Anand Sharma, Minister of State for External Affairs, Shri Kamal Nath, Minister of Commerce and Industry, and Shri Murlidhar Deora, Minister for Petroleum and Natural Gas. He will also meet a cross-section of businessmen at an interaction arranged by the Confederation of Indian Industry and will visit the facilities of several leading companies engaged in the software, automobiles, agricultural equipment, transportation, railways, energy and mining sectors.
2. Official talks have been held today with a composite Indian delegation led by Shri Anand Sharma, Minister of State for External Affairs. The wide-ranging discussions were held in a friendly and cordial atmosphere and both sides exchanged views on various bilateral, regional and international issues of mutual interest.
3. Both sides noted with satisfaction the warm and friendly relations between India and the Republic of Angola and recalled their partnership in the struggle against colonialism and apartheid. They reiterated their desire to further strengthen the close and friendly ties between the two peoples and to provide a strong impetus to bilateral co-operation. A Protocol for Consultations between Ministry of External Affairs of the Republic of India and the Ministry of External Relations of the Republic of Angola was signed by the two sides. The two sides also agreed in principle to sign the agreements for the Promotion and Protection of Investments and Creation of Bilateral Commission for Cultural, Technical, Scientific and Economic Cooperation and between the Government of the Republic of Angola and the Government of the Republic of India.
4. Their Excellencies Mr. Joao Miranda and Shri Anand Sharma recognized the immense potential for increased economic

cooperation between the two countries. The Indian side briefed the Government of Angola about the Pan- African Network Project which would establish a VVIP network and bring the benefits of tele-medicine and tele-education to all 53 members of AU. The Government of Angola acknowledged the importance of the project which reiterates India's continued commitment to South-South cooperation and which will help Africa bridge the digital divide.

5. The two sides reiterated their commitment to deepen and diversify the scope of their economic, trade and cultural exchanges and to promote investments. H.E. Mr. Joao Miranda conveyed the deep appreciation and gratitude of the Angolan Government for the various Lines of Credit extended by India, including \$40 million for rehabilitation of Angolan Railways by RITES, \$10 million for purchase of tractors and \$5 million for the agriculture sector. He also conveyed the appreciation of the Government of Angola for the gift of five ambulances by India.
6. The two sides reiterated the need to reform the United Nations and to expand the UN Security Council. They stressed, in particular, the need for equitable balance in the expanded Security Council to provide a constructive voice to the aspirations of the developing countries. In view of India's growing economic stature, its position as the largest democracy in the world and its track record of contributing to the promotion of international peace and security, Republic of Angola promised its strong support to India's candidature for permanent membership of the UN Security Council.
7. On behalf of the Government of the Republic of Angola, H.E. Mr. Joao Miranda expressed sincere thanks to the Government of the Republic of India for the warm hospitality extended to him.

Done at New Delhi, the 10th of May 2006, in both English and Portuguese, the two texts being equally valid.

Joao Miranda

**Foreign Minister
Republic of Angola**

Anand Sharma

**Minister of State for External Affairs
Republic of India**

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367. Protocol for Consultations between Ministry of External Affairs of the Republic of India and the Ministry of External Relations of the Republic of Angola.

New Delhi, May 10 2006.

The Ministry of External Affairs of the Republic of India and the Ministry of External Relations of the Republic of Angola hereinafter referred to as the "Parties".

IN THE SPIRIT of the friendly ties and cooperation between the two countries;

WITH THE PURPOSE OF promoting bilateral relations in various fields;

PROCEEDING FROM the common interests for strengthening international peace and security;

ACKNOWLEDGING the usefulness of exchange of opinions and consultations between the two countries at different levels;

HAVE AGREED as follows:

1. The parties shall hold regular consultations to review the implementation of agreements reached between the two States and to strengthen the process of wide ranging exchange of views on international and bilateral issues and interaction in the international arena.
2. The above-mentioned consultations shall cover all important issues affecting the interests of both parties, such as
 - | Issues under discussion at the United Nations and other international fora.
 - | Issues connected with the prevention of conflicts and peaceful settlement of international disputes.
3. Consultations shall be carried out, in principle, annually at different levels and alternately in New Delhi and Luanda and also, if necessary, at the United Nations and other international fora.
4. The Parties shall also cooperate on matters of mutual interest at the level of diplomatic (Consular) missions in third countries.

5. The Parties shall facilitate cooperation in research on foreign policy issues, exchange of archival documents and preparation of compendia of documents and materials pertaining to their bilateral relations.
6. The provision of this protocol shall be without prejudice to any other treaties or agreements to which any of the parties has obligations.
7. The Protocol may be modified or amended by mutual consultations. These amendments shall come into force after the exchange of notes between the parties.
8. This agreement shall enter into force on the date of signature and shall remain in force for a period of five (5) years. After the expiry of this period it shall automatically be renewed for successive periods of one (1) year each unless either party notifies the other in writing of its intention to terminate this Protocol prior to the expiry of any such period.

IN WITNESS WHEREOF the undersigned being duly authorized thereto by their respective Governments have signed this Protocol.

DONE AT New Delhi on this 10th day of May, 2006 in duplicate in English and Portuguese language, both texts being equally authenticated.

**For the Government of
the Republic of India**

**(Anand Sharma)
Minister of State for External Affairs**

**For the Government of
the Republic of Angola**

**(Mr. Joao Bevnardo de Miranda)
Minister of External Relations**

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BOTSWANA

368. Briefing Points by Official Spokesperson on the visit of President of Botswana Festus Mogae.

New Delhi, December 4, 2006.

- | India established diplomatic relations with the Republic of Botswana soon after its independence in 1966; a resident mission was opened by India in Gaborone in 1987.
- | Botswana is an important ITEC partner country, and currently utilizes 25 slot for civilian training and 5 slots for military training. Several of Indian experts and teachers are on deputation to Botswana.
- | At the UN, Botswana and India share commonality of views on UN Reform, particularly the reforms of the UNSC. Botswana has strongly supported India's candidature as the permanent member of the UNSC; it also supports the G-4 initiative.
- | With Botswana's active support, India was unanimously selected as the co-chair for 2007, of the Kimberely Process Certification Scheme (KPCS), a 71-member body designed to keep the conflict diamonds outside legitimate international trade. Botswana is currently its chair. India will automatically become chair in 2008.
- | India also cooperates with Botswana in the framework of its relations with the Southern African Customs Union with which India will soon launch negotiations for a Preferential trade Agreement(PTA); Botswana is also the founding member of Southern African development Community (SADC)-India launched India-SADC Forum in Windhoek in April 2006, offering cooperation in agro-engineering, irrigation and seeds technologies, water resources management, HRD, Drugs and Pharmaceuticals, SMEs, trade, industry and finance. Botswana is in a unique position to facilitate implementation of the Forum decisions which are of direct interest to the country.
- | Bilateral trade currently stands at US\$ 12 million, comprising largely of Indian exports of engineering goods and textiles. Botswana is the largest producer-exporter of diamonds by value, and India one its largest importers. However, the diamond trade does not figure in trade figures as diamond trade is conducted through London and

Antwerp.

- 1 Botswana is trying to diversify its diamond based economy and counts on India's support and assistance to tackle poverty and unemployment, by concentrating on education, health, rural development, SMMEs etc. Drugs and pharmaceuticals is another area of collaboration.

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369. Agreement on Bilateral Cooperation between the Government of the Republic of India and the Government of the Republic of Botswana.

New Delhi, December 8, 2006.

PREAMBLE

The Government of the Republic of India and the Government of the Republic of Botswana (hereinafter jointly referred to as "the Parties" and in singular as "a Party");

Desirous of promoting and strengthening closer bilateral relations and other forms of co-operation;

Aware of the role of the private sector and its contribution in strengthening closer relations between the two countries;

Conscious of India's experience in socio-economic and political transformation and its relevance to Botswana in the spirit of partnership and South-South co-operation;

Hereby agree as follows:

ARTICLE 1

The Parties shall support each other for purposes of the upliftment of their peoples.

ARTICLE 2

The Parties shall promote and intensify bilateral relations in their

countries in the spirit of partnership with a view to effecting concrete cooperation in the economic, educational, technical, human resources development (training), social, legal, political, information and communications technologies and cultural fields.

ARTICLE 3

The Parties further agree that the implementation of sectoral cooperation shall be done by means of separate and specific agreements to be concluded between the relevant counterpart sectors.

ARTICLE 4

The Parties shall create and promote a conducive environment for growth and development of the public, as well as the private sectors, to play an effective role as instruments for the enhancement of close cooperation.

ARTICLE 5

The Parties undertake to cooperate in the areas of human resource development, scientific and technological exchange.

ARTICLE 6

The Parties shall cooperate in the promotion of good governance, gender, youth, human rights and environmental matters.

ARTICLE 7

The Parties further agree to cooperate in the areas of Immigration, Defence, and Security. The Parties will also consider how they can best cooperate in various regional as well as International organisations like the African Union, the Southern African Development Community, the World Trade Organisation and the United Nations among others.

ARTICLE 8

The Parties agree to hold regular consultations between the two Foreign Ministries to monitor and implement this Agreement.

ARTICLE 9

A Joint Commission, hereinafter referred to as “the India -Botswana Joint Permanent Commission for Cooperation” shall be established for the purposes of follow-up and implementation of this Agreement. A separate agreement shall be negotiated and concluded in order to provide in more

detail for the composition, procedures, functions, financial and other arrangements of the India- Botswana Joint Permanent Commission for Cooperation.

ARTICLE 10

This Agreement shall enter into force on the date of signature and shall remain in force for a period of five (5) years, thereafter it shall be renewed automatically for further periods of five (5) years at a time, unless terminated by the either Party by giving six (6) months written notice in advance through diplomatic channels.

ARTICLE 11

Termination of this Agreement shall not affect the implementation of any programmes, projects and or other activities that have been undertaken in pursuance of this Agreement, and which have not yet concluded, unless the Parties decide otherwise in writing.

ARTICLE 12

This agreement may be amended by mutual consent of the Parties through an exchange of notes between the Parties through diplomatic channels.

In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed and sealed this agreement.

Done at New Delhi on this 8 day of December 2006, in two originals each in English, both texts being equally authentic.

**For the Government of
the Republic of India**

**For the Government
of the Republic of Botswana**

**PRANAB MUKHERJEE
Minister for External Affairs**

**M. TIBONE
Minister for Minerals, Energy & Water**

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CONGO

370. Briefing Points by Official Spokesperson on the visit of Foreign Minister of Congo Rudolphe Adada.

New Delhi, October 27, 2006.

External Affairs Minister, Shri Pranab Mukherjee met the Foreign Minister of Republic of Congo, Mr. Rudolphe Adada (RA), this afternoon.

- (i) EAM and RA agreed on the need to build on the strong foundation of political friendship between the two countries and develop ties in trade, education, investment and other fields.
- (ii) The two leaders agreed on the need for the reform of the UN system, including the Security Council, expressing similarity of views and the need to press ahead in this difficult task.
- (iii) EAM offered to extend cooperation for capacity building and specialized training. He also agreed to look into the possibilities suggested by RA in agriculture, railways and technical training.
- (iv) It was agreed that agreements to set up an institutional framework for promoting bilateral cooperation would be finalized in preparation for the visit of the President of Republic of Congo in 2007.

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EGYPT

371. Press Release issued by the Ministry of External Affairs on the visit of Egyptian Foreign Minister Ahmed Aboul Gheit (15- 17 December, 2006).

New Delhi, December 16, 2006.

1. As part of the ongoing exchanges to strengthen bilateral cooperation between India and the Arab Republic of Egypt, His Excellency Mr. Ahmed Aboul Gheit, Foreign Minister of Egypt, paid an official visit to India. His programme included meetings with His Excellency Shri Pranab Mukherjee, Minister of External Affairs. His delegation included senior officials of the Egyptian Ministry of Foreign Affairs and other Ministries of the Government of Egypt. He met a cross-section of Indian businessmen at an interaction arranged by Federation of Indian Chambers of Commerce & Industry (FICCI).
2. During the visit, H.E. Mr. Ahmed Aboul Gheit handed over a written message addressed to Hon'ble Dr. Manmohan Singh, Prime Minister of India, from H.E. Mr. Muhammad Hosni Mubarak, President of the Arab Republic of Egypt.
3. Mr. Gheit and Shri Mukherjee co-chaired the 5th session of the India-Egypt Joint Commission on 16th December. The wide-ranging discussions were held in a friendly atmosphere and both sides exchanged views on various bilateral, regional and international issues of mutual interest.
4. Both sides noted with considerable satisfaction the warm and friendly relations between India and the Arab Republic of Egypt. They recalled their partnership in the foundation of Non-Aligned Movement; struggle against colonialism and racial discrimination and in the struggle for preserving the independence and sovereignty of nations emerging from the colonial yoke. They reiterated their desire to further strengthen the close and friendly ties between the two peoples and to provide a strong impetus to enhance bilateral cooperation.
5. A number of agreements were signed between the two sides. These included the Partnership Agreement; Executive Programme under the Agreement on Cultural Cooperation; Executive Programme under the Agreement on Cooperation in Science and Technology; the Work

Plan under the Agreement on Cooperation in Agriculture; and MoU on bilateral air services.

6. Mr. Gheit and Shri Mukherjee recognised the immense potential for enhancing bilateral cooperation between India and Egypt. The two sides reiterated their commitment to diversify and deepen the scope of their economic, trade and cultural exchanges. They identified the promotion of investment flows, as a means to strengthen bilateral commercial exchanges in this day and age of globalization/economic diplomacy.
7. The two sides took note, with satisfaction of the increasing exchange of visits between officials and businessmen of the two countries. In particular, they welcomed the visit by the Minister of Communications and Information Technology of Egypt to India from 27 November to 02 December, 2006 during which a Memorandum of Understanding on Cooperation in the field of Information Technology was signed with the Minister of Communications Information Technology of India and several agreements were signed between training institutions in India and Egypt in the field of Information and Technology.
8. The two sides also took note of the visit of Minister of State for Administrative Development of the Government of Egypt to India from 07-11 December, 2006 during which specific areas of cooperation were identified with Indian institutions in the field of Administrative modernization and e-government.
9. The two sides exchanged views on the situation in West Asia/Middle East. India reiterated its consistent support for the Palestinian cause and called for early resumption of negotiations under the Middle East Peace Process. Both sides agreed that use of excessive force and violence would not lead to peace in the region, which requires sustained and substantial negotiations among the parties.
10. Mr. Gheit invited Shri Mukherjee to visit Egypt. The invitation was accepted with pleasure.
11. On behalf of the Arab Republic of Egypt, Mr. Gheit expressed sincere appreciation to the Government of India for the warm hospitality extended to him and the accompanying delegation.

372. Partnership Agreement between the Republic of India and the Arab Republic of Egypt.

New Delhi, December 16, 2006.

The Government of the Arab Republic of Egypt and the Government of the Republic of India, hereinafter referred to as the "Parties";

Desirous of strengthening and consolidating their traditional relations of friendship and cooperation between their two countries and peoples;

Recognising the emerging trends in the economic policies in the two countries as well as the opportunities and challenges that are now emerging from international trends of liberalization and globalization of trade and economy universally;

Have agreed as follows: -

Article (1)

The Parties agree to cooperate and develop their relations on the basis of mutual benefit, by fully exploiting the economic potential of the two countries, thereby increasing and diversifying bilateral trade.

Article (2)

The Parties shall undertake to increase bilateral investments, and develop and promote comprehensive industrial cooperation in various sectors.

Article (3)

The Parties shall endeavour to encourage the establishment of joint ventures through investment and trade promotion measures, including exchange of commercial information, technical exchanges by way of training and expertise and experience sharing in mutually agreed sectors.

Article (4)

The Parties shall support the development of private sector linkages, with special emphasis on small and medium enterprises, through various institutional mechanisms such as Joint Business Committee, Joint Business Group, participation in each other's trade fairs and exchange of visits of delegations of entrepreneurs on a regular basis.

Article (5)

The Parties agree to strengthen exchange of market information through electronic data interchange, internet, etc. In this context, the two sides recognize the immense future potential for cooperation in the sectors of environment, tourism, banking, insurance, information technology and other services.

Article (6)

The Parties agree to enhance existing levels of cooperation in various regional and multilateral fora such as G-15, WTO, etc., by mutual discussions and consultations.

Article (7)

The Parties agree to establish a forum to be known as the India-Egypt Partnership Council (IEPC) to be composed of members representing the respective Governments and the private sectors in both countries.

Article (8)

The Egyptian Minister of Trade and Supply will nominate the members of the Egyptian side in the IEPC and the Indian Minister of Commerce will nominate the members of the Indian side in the IEPC. The IEPC will be reconstituted after every two years. There will be no restriction on the renomination of members of IEPC. The IEPC will establish sub-committees in the various sectors of mutual cooperation, if considered necessary.

Article (9)

The IEPC will meet annually or at mutually convenient dates in New Delhi and Cairo alternately to review the progress in the implementation of this Agreement and issue an Annual Report indicating its achievements as well as recommendations identifying ways and means of achieving the objectives of this Agreement.

Article (10)

This Agreement shall remain valid for a period of 5 years. It shall be automatically extended for the subsequent period of 5 years, unless either of the Parties gives to the other a written notice, six months in advance, of its intention to terminate the Agreement prior to its expiry.

The termination of this Agreement shall not affect the projects and programmes already executed or in progress, under this Agreement.

This Agreement may be modified or amended by mutual consent.

Article (11)

This Agreement shall enter into force on the date on which the two Parties have notified each other in writing through diplomatic channels, that the required legal procedures have been completed.

In witness whereof the undersigned being duly authorized thereto by their respective Governments have hereto signed this Agreement and affixed thereto their seals.

Done at New Delhi on this day of 16th December 2006 in six originals two each in English, Arabic and Hindi languages.

All the texts being equally authentic, in case of divergence of interpretation, the English text shall prevail.

N. Ravi
Secretary, Ministry of External
Affairs, Republic of India

Ambassador ALY EL- Hefny
Assistant Minister for Asian
Affairs, Ministry of Foreign Affairs,
Arab Republic of Egypt

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MAURITIUS

373. Press Briefing by Foreign Secretary Shyam Saran on the visit of President Dr. A.P.J. Abdul Kalam to Myanmar and Mauritius from 8-13 March 2006.

New Delhi, March 7, 2006.

Official Spokesperson (Mr. Navtej Sarna): Good evening everybody. We welcome the Foreign Secretary for the briefing on Rashtrapatiji's forthcoming visit to Mauritius and Myanmar. We also have here Press Secretary to President Shri S.M. Khan and the Joint Secretaries concerned with the two Divisions. I would first request the FS to speak.

Foreign Secretary (Mr. Shyam Saran): Thank you very much and good afternoon to all of you. As you know, Rashtrapatiji will be visiting both Myanmar as well as Mauritius in the next few days. The visit to Myanmar will be from the 8th of March to the 10th of March, and to Mauritius it would be from the 11th of March to the 13th of March.

President is going to Myanmar in response to a longstanding invitation from the Head of State of Myanmar. As you know, he had visited India sometime back. This would be the highest level visit from India in a long time. It is a very significant visit. It is a visit which will have considerable amount of substantive content. We will be taking forward our ongoing cooperation in fields like space. We have been assisting Myanmar with our remote sensing capabilities. We have been sharing with them data on Myanmar from our IRS satellite. In fact there will be an agreement which would be signed during the visit for the setting up of a ground station in Myanmar for receiving directly the IRS data.

This data is of great importance to Myanmar, to its economy. It has, as you know, uses in agriculture, crop forecasting, soil surveying, mineral surveys, and watershed management. So, there is a whole series of uses that this technology can be put to. This is something which we have been involved in for the last several years, building up capacities in Myanmar. So, a stage has now been arrived where they can actually receive this data directly and analyse this data to their advantage. The other area, as you know, we have been working together with Myanmar is on the energy side. We are already involved in a couple of exploration ventures essentially on the Arakan coast which is just opposite our own eastern seaboard. What

we are looking at is an agreement between the two sides for the evacuation of natural gas which would be produced in these exploration blocks. There can be various ways of doing it. We can do it either directly by pipeline from Myanmar directly into our North-East. As you know we have been looking at the possibility of a pipeline from Myanmar through Bangladesh to India. But we also have an option to look at some other routing for the pipeline.

And we also have the option of converting this into LNG and shipping it to India. Since the distance is really not very much, in fact this could be quite cost effective. So, there are various options we are looking at. But during this visit we would be tying up an arrangement whereby the evacuation of gas to India would be something which would be agreed upon. Then we have, of course, been helping Myanmar in the telecom sector, in the transportation sector. In the transportation sector another project which we would be really now inaugurating in a sense the execution of the project is the Kaladan multimodal transport project. This is very important because this is really a transport artery again going through the Arakan Province of Myanmar from the ancient port of Sitwe which was in the old days used to be known as Akyat.

Those of you who are familiar with the earlier trade routes in this region, Akyat used to be very important for the rice trade. You know, rice and other commodities from Myanmar using the sea route going down to Kolkata, to Chennai and back again. So, this used to be a very important at one time. What we are really involved in is a project which would upgrade this port and use both river transportation as well as a highway which would enter southern Mizoram. So, you would have Kolkata to Sitwe shipping route and then this would link up with a river and highway route straight into southern Mizoram. It gives a kind of an alternative access to our North-East and also an exit from our North-East. So, it is very important, both economic as well significance in terms of increasing the economic viability of projects that we do in our North-East. That is something which has now reached a point where we are about to start working on the project actually. All the initial work has been done. We also have, between Myanmar and India, a very strong cultural link.

As you know, Myanmar is a country where Buddhism enjoys very great reverence among people. That link, Buddhist link, between our two countries is really a very strong bond. We have a project for promoting exchanges in the field of Buddhist studies between the two sides. We have

a special programme for Buddhist pilgrims to visit from Myanmar to India. The groups of pilgrims who come to India, we have a visa free entry for those groups. This is something which is very much appreciated by Myanmar. I would also like to inform you that the President would, during his stay in Yangon, will be visiting the much revered Shwedagon pagoda which is a very ancient pagoda. Legend has it that there were two traders from Myanmar who were visiting India during the life time of Lord Buddha himself and they were privileged to have two strands of hair of Buddha which they brought to Myanmar and the original Shwedagon pagoda was actually built around these relics which were enshrined. Another very strong historical link between the two sides, one of the other places Rashtrapatiiji would be visiting is the mazaar of Bahadur Shah Zafar.

Those of you who are familiar with history would recall that Bahadur Shah Zafar, the last emperor of India, was exiled to Yangon and the last king of Burma was exiled to Ratnagiri in Maharashtra. So, there is also that very strong historical link. We have contributed a great deal to the upkeep of the Bahadur Shah Zafar mazaar. And it has become a point of a must-visit place for those of us who go to Yangon. So, Rashtrapatiiji would also be visiting the mazaar when he is in Yangon. Rashtrapatiiji will also be visiting Mandalay which is one of the most important cities of Myanmar. He would be having talks with Senior General Than Shwe. We will cover a whole host of bilateral as well as regional issues. So, a very important visit because this is a very important neighbour for us. As you know, Myanmar is in a sense our gateway to ASEAN. It is also an important country because we have 1400 kilometres long land boundary with Myanmar.

And this land boundary really straddles the four most important and sensitive North-Eastern States of India starting from Arunachal Pradesh, you have Nagaland, you have Manipur and you have Mizoram. So, from that point of view a very important neighbour for us. We also share the Bay of Bengal - another strategic stretch of sea for both our countries. So, this is as far as Myanmar is concerned. The visit to Mauritius, Rashtrapatiiji will be the Chief Guest at the Republic Day Anniversary of Mauritius, which is on the 12th of March. I do not think I really need to say very much about the very close relationship which exists between India and Mauritius. And not merely because 70 per cent plus of the population is of Indian origin. Mauritius enjoys an importance for India from several points of view. Of course, it is one of the most strategically located islands in the Indian Ocean. So, it has a significance because of that. Even though Mauritius is a very small island, you would be amazed that the Exclusive Economic Zone of

Mauritius is probably not much smaller than that of India because of the island territories that Mauritius covers. Over the past several years Mauritius has also become very important to India from the economic and trade point of view. As you know, we have a very unique double tax treaty with Mauritius. As a result of this Treaty, Mauritius has become a very favoured, very privileged conduit for investment into India. So, a lot of the foreign funds which come to India come through the Mauritius route. So, in a sense,

Mauritius has played an important role in terms of the liberalized investment environment which has been created in India. In addition to that, more and more Indian companies are looking at Mauritius as a kind of base to access the African mainland because of its location and because of its own linkages with Africa being an African country, being a member of the African Union. It is also a very important member of the South African Development Cooperation Organisation (SADC). So, because of those linkages, whatever India is able to do in Mauritius, it can also leverage that into access into Africa. Mauritius has another advantage that it is bilingual - they are both English-speaking as well as French-speaking - because of historical reasons. So, there is a certain advantage also that Mauritius offers for our companies for entry into French-speaking Africa. Over the last few years Mauritius has become an important place for our information technology companies. We helped Mauritius set up a Cyber Tower, like our cyber city.

A large number of the firms which are operating from the Cyber Tower are in fact Indian information technology companies. So, this relationship is going to grow. Currently, Mauritius is facing a challenge. You know there are three legs of Mauritian economy - one is tourism, the other is sugar and the third is textiles. Mauritius' prosperity has really been built on these three pillars. While Mauritius is doing really well as far as tourism is concerned, and in fact Indian tourism is contributing to the prosperity of this sector, sugar is losing its concessions in the European market because it had a certain privileged access, that is being eroded. With the multifibre agreement, whatever quota entry that it had into the European market, that advantage is no longer there. So, the country is undergoing a certain transition.

Essentially what it is trying to do is to try to develop its service sector, the financial sector, the information technology sector, trying to create Mauritius as a kind of a regional center for education, for health. These are precisely the areas in which we have certain strengths. In fact Indian

companies and Indian organization are taking advantage of that and helping Mauritius make that transition successfully. So, Rashtrapatiji's visit is coming at a very important time. It is not just a ceremonial visit for being a Chief Guest at the Republic Day Anniversary, but also an occasion to revisit some of these very important elements in bilateral cooperation between our two countries. While in Mauritius, Rashtrapatiji will have an occasion to visit the Cyber Tower which has been built, as I mentioned to you, with our assistance. He will also have a chance to visit the Rajiv Gandhi Science Centre, again something set up by India, with Indian assistance. It is for the popularization of science, especially among young people. He will have an occasion to interact with university students in the University of Mauritius. Of course, he will have the opportunity to meet his counterpart, President Anerood Jugnauth, who used to be Prime Minister earlier of Mauritius, and of course other Mauritian leaders including Prime Minister Ramgoolam. So, both these visits of Rashtrapatiji will be very important visits in terms of our bilateral relations. Mauritius and India have a very privileged relationship and this visit will go a very long way in consolidating and promoting these relations. I will now stop and maybe I can spend a few minutes taking your questions.

Question: George W. Bush said he and the Indian Prime Minister agreed ... to seek Aung San Suu Kyi's release. May I know if the Indian President will be conveying this message to the Burmese military head?

Foreign Secretary: We have stated quite publicly that we have welcomed the commitment which has been made by the leadership of Myanmar to the restoration of multiparty democracy. This is something that we support and we hope that this can be achieved sooner rather than later. We have also welcomed the national convention process but we have also said that for a national convention process which would be looking at final political arrangements in the country it needs to be as inclusive as possible. So, its credibility would be furthered if it was a more inclusive process. As far as Aung San Suu Kyi is concerned, you know that she enjoys a lot of respect and admiration not only in India because in India, of course, she had been a student here, she had lived in India, she has a very large network of friends and admirers in India, but she also has a certain international standing. Therefore, we do believe that her welfare and her release would be very helpful in terms of the process of democratization that Myanmar itself is engaged in. Being the daughter of General Aung San who in a sense is regarded as the father of modern Myanmar, she has a certain standing and I think due respect and position should be given to

her. We believe that she can contribute to the emergence of Myanmar as a democratic country, as a member of the international community.

Question: Sir, President Bush also said and I quote on Burma “we agree on the deplorable state of human rights in Burma and all nations should seek the release of Aung San Suu Kyi”. This is the joint statement at the joint press conference. Does India really agree with this?

Foreign Secretary: I am afraid, I think you are making a mistake, there is nothing on it in the Joint Statement. You are referring to what President Bush said in his remarks. The issue of Myanmar did come up and the Prime Minister of India explained the importance of the relationship between India and Myanmar. I gave you a sense of why these relations are important. India and Myanmar are very close neighbours. I mentioned to you that the Myanmar-India border straddles the four of our most sensitive North-Eastern States. We are looking at Myanmar as a bridgehead to South East Asia. So, there are various reasons for which it is important for India and Myanmar to remain engaged. Now, while we remain engaged, does it mean that we do not care about democracy in Myanmar? No. As I just explained to you, in the meetings that our leaders have had with leaders of Myanmar, as a friend we have made known also our view on the current situation.

Question: ... (inaudible)

Foreign Secretary: I do not think it is accurate to look at India-China rivalry in Myanmar just as I think it is not appropriate to look for India-China rivalry at every nook and corner of Asia. I do not believe that is the real situation. India-Myanmar relations stand on their own, again for the reasons that I mentioned. The fact is that this is a very important neighbour to India. We have very long historical and cultural associations with this country. We have important economic stakes in this country. I mentioned the energy factor. So, there are very good reasons why India must remain engaged with Myanmar. Now, as far as what pressure other South-East Asian countries may be putting on Myanmar, really that is not for me to comment on. I have given you a sense of where we stand on the issue. With regard to your second question, yes, we do have defence relationship, a normal defence relationship in the sense that there are Myanmar trainees who come to India for training in our institutions. Some equipment has been made available to Myanmar because we are also cooperating together with one another in dealing with insurgency that sometimes has a cross border dimension.

Question: Mr. Saran when you were Ambassador in Myanmar you made it a point to visit Bahadur Shah Zafar mazaar on Independence Day and Republic Day. I just wanted you to ask what you saw as the significance of those visits?

Foreign Secretary: The significance of those visits is that this is part of your history. Bahadur Shah Zafar has a certain role that he played in our independence struggle and I think it is important for us as Indians to remember that role that he played and pay our respects and admiration for him.

Question: The 150th year of the 1857 revolt is coming, would there be anything that might be done there or in association with Myanmar?

Foreign Secretary: We have not given that any thought yet.

Question: ...deep sea port on the Arakan coast, will it be used by China against India for military purposes?

Foreign Secretary: Number one, I am not aware that China is actually making a deepwater port. In fact, we ourselves have been involved in doing a survey. If I am not mistaken you are referring to the port of Chokyu which is on the Arakan coast. We ourselves have done a survey. It is in fact a port which can be of great commercial significance for Myanmar. Certainly being a port which is opposite to our eastern seaboard we have considered it to be a very important infrastructure project which can promote trade between India and Myanmar. There are a lot things that we can do together. The development of this port is something that we ourselves can look at.

Question: The Chinese are also interested in the natural gas. Have they started supplying natural gas to China?

Foreign Secretary: Just as India is interested in energy supplies from wherever we can get it, I am not surprised that China too is interested in these supplies. But we believe that since we have been involved in at least two exploration projects on the Arakan coast, we believe that we can have access to some quantities of gas from Myanmar. How to evacuate the gas is one of the issues that we need to look at. I mentioned to you that there are several alternatives that we are looking at. We can have a pipeline through Mizoram. We can have a pipeline through Bangladesh if that is possible. We are also looking at the possibility of LNG option for this gas. Thank you very much indeed.

374. Speech by President Dr. A.P.J. Abdul Kalam at the Banquet hosted by the Prime Minister of Mauritius.

Port Louis, March 11, 2006.

Your Excellency, Dr. Navinchandra Ramgoolam, Prime Minister of the Republic of Mauritius, and Smt. Veena Ramgoolam, Hon'ble Ministers, Excellencies, Ladies and Gentlemen,

At the outset, permit me, Excellency, to convey my appreciation for the exceptional warmth and affection with which I and my delegation have been received within Mauritius. I would also like to thank you for inviting me to be part of the National Day celebrations of the Republic of Mauritius. I consider it an honour to share the joy and pride of Mauritian citizens on this auspicious day. On behalf of the billion people of India, I convey my best wishes to the people of Mauritius on their National Day.

Apart from the exquisite loveliness of your country, Excellency, what I have been most struck by is the amazing similarity between our people. The waves of the Indian Ocean, which embrace both our countries, must be surprised to find such a close identity of sentiments, values, customs, traditions, languages and sensibilities across such a vast distance. The large part of the credit for this must go to those brave sons and daughters of India who left their motherland in the 19th and early 20th Century, and set sail for Mauritius in search of a livelihood. By maintaining this spiritual and umbilical connection with their civilisational roots, they gained the strength to resist the oppression of the colonisers and preserved their intrinsic sense of dignity.

Momentous emancipation was brought about in Mauritius by the efforts of many exceptional men and women whose memories continue to light up the corridors of history. The most illustrious name in this luminous gallery, Excellency, is none other than that of your esteemed leader, Sir Seewoosagur Ramgoolam. The unrelenting battle he waged - with dignity, pragmatism and moderation — to secure the rights of the Indian community against the prevailing inequities of the times, deservedly makes him the Father of the modern Mauritian nation.

Relations between India and Mauritius have always been warm and special and are a reflection of the historic civilisational links between our societies. Nurtured by regular visits of leaders at the highest levels, the special cultural, linguistic and ethnic ties between our countries have been further

complemented by a vibrant and sophisticated architecture of institutional cooperation. It is important to ensure that our younger generations do not drift away from these sacred bonds that have been so carefully forged and preserved by our forefathers. Government of India is keen to see an ever increasing number of Mauritian students enter Indian universities and educational institutions. Tourism also holds tremendous potential for keeping the vital links between our young populations alive, and we are happy to note that your Government is launching initiatives to augment the already increasing trend of tourist arrivals from India.

We are also aware of the new challenges that the Mauritian economy faces in the present global context, particularly in the key sugar and textile sectors. I am aware of the many efforts that your Government is making to diversify the Mauritian economy for developing alternative poles of development, and also for increasing competitiveness and efficiency in existing sectors. We are firmly committed to helping Mauritius overcome this temporary phase and India can be a partner and can fully share its experience, particularly in the areas of sugar and textile with you. The finalisation of the Comprehensive Economic Cooperation and Partnership Agreement, in a few months' time, will go a long way in helping us tap promising avenues of collaboration, and will allow our economic relationship to catch up with our privileged political and cultural ties.

India has always attached great importance to the exigencies of Mauritian Defence, and has supported your legitimate claims of sovereignty over all your lands. Mauritius is fortunate to possess a vast Exclusive Economic Zone. Its potential for bringing prosperity to its people is very high. India can be your close partner in exploring and jointly developing these areas, particularly in the hydrocarbon and fisheries sectors and in other areas of sea wealth. It is equally important, however, to keep these natural bounties safe from theft and illegal incursions, and for this, Mauritius must develop the means to effectively monitor and police its marine borders. Our long-standing defence cooperation is aimed precisely towards this end.

Mauritius has taken the conscious decision to develop itself as a hub of knowledge and excellence in the wider African region. Its past record and its international standing make this ambition eminently realisable. Over the years, India has been successful in developing its own know-how in knowledge industries like Information Technology, Fisheries, Pharmaceuticals, biotechnology and nanotechnology and we stand ready to put these core competencies at the disposal of Mauritius to help it emerge as a true Centre of Excellence. Recently, India has launched a large programme

called PURA (Providing Urban Amenities in Rural Areas) for rural development in plain, coastal and hill areas. We will be very happy to share our experience and participate in the development of your lovely Island.

Excellency, I must make a special mention of the enduring support that Mauritius has always extended to India at the various international fora. India's rightful ambition to see itself as a permanent member of the expanded UN Security Council is not just meant to give a voice to one-fifth of the world's population, but also to project the unique cultural traits of tolerance and inclusiveness that countries like India and Mauritius share. We are grateful for the steadfast support that Mauritius has always extended to this legitimate cause. I am confident that this unique friendship between our countries will continue to inspire the world in centuries to come.

Excellencies, Ladies and Gentlemen, may I request you to join me in raising a toast:

- | to the health and well being of Prime Minister Dr. Navinchandra Ramgoolam and Smt. Veena Ramgoolam;
- | to the continued peace, prosperity and happiness of the Mauritian people;
- | and to the abiding friendship between India and Mauritius.

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375. Address by President Dr. A.P.J. Abdul Kalam to Ministers, MPs, Members of the scientific community and leaders from various walks of life from Mauritius.

Port Louis, March 13, 2006.

Evolution of Enlightened Societies

I am delighted to address and interact with the Hon'ble Ministers, Members of Parliament, Scientists and Technologists, Educationist and Eminent Personalities of Mauritius. I am happy to be with such an enlightened audience and I am sure that it will usher in a new interest and understanding between Mauritius and India. Both our countries got independence during the 20th century from colonial rule. Now we are marching towards achieving economic prosperity for our people. I convey the greetings and wishes of one billion people of India. Our two great countries have long standing traditional ties for centuries in trade, commerce and mutual knowledge sharing and transfer. Knowledge and skill power empower the individual and institutions, thereby society and nations.

When I was entering into your great country surrounded by sea, I remembered my home on a tiny island, Rameswaram on the East coast of India. We have a common bond, not only people to people, above all the waves of the same Ocean embrace both of us.

Common values of two nations

Mauritius and India have a historical umbilical connectivity. Let me recall a famous thought of the Father of Mauritius, Dr Seewoosagur Ramgoolam, in his UN address on 24th April 1968:

“..... Thus this remote island in the Indian Ocean will become one of the most important meeting places of East and West.”

“..... We in Mauritius, have a long tradition of mutual respect, tolerance and understanding, despite the occasional evil exploitation of our diversity. Our social customs and habits have transcended racial and cultural differences....”

Let me also share with you, particularly the youth of your great country, the advice of Mahatma Gandhi's mother to him:

“Son, in your entire life time if you can save or better someone's life, your birth as a human being and your life is a success. You have the blessing of the Almighty God”.

These profound thoughts from two great human beings, as voices of Asia and Africa, bring out how citizens of a nation have to be transformed into citizens of tolerance and service. It is indeed a great mission for both our nations. I have selected for this meeting, of eminent personalities, the topic “Evolution of Enlightened Societies”.

Global Ambience

All of us are witnessing a new situation throughout the world. Economically prosperous nations with their mighty security forces are under different forms of threat. Developing countries with certain value systems are under fear about their future. In this global environment I would like to share my personal experience based on visits to all the States in my country. I have met over one million children below seventeen years of age and I have also met thousands of young students in thirteen countries. All the youth, during my interactions, unanimously shared their dream with me to live in a happy, prosperous and safe nation. To give our youth, a peaceful nation, a happy nation, a prosperous nation and a safe nation is indeed an important mission for any nation and its leaders. For achieving this, I have evolved a three dimensional doctrine. This has three components (i) Education with a value system (ii) Religion transforming into spirituality and (iii) Economic development for societal transformation. All these three components have to be progressed in an integrated way throughout the world. Friends, let us discuss.

Education with Value System

The best part a person’s life is his or her childhood and the learning period in school. The prime learning environment is five to seventeen years’ of age. Of course, at home, love and affection are imparted. But again most of the time during the day, is spent in completing homework given by the school and studying, eating, playing and sleeping. A student spends approximately 25,000 hours in the school campus. Hence school hours for children are the best time for learning and need the best of environment and mission oriented learning with a value system. During this stage, they need value based education in school and at home for them to become good citizens. This reminds me of the echo of a great teacher’s saying, “Give me a child for seven years. Afterwards, let God or devil take the child. They cannot change my child.” For parents and teachers, the school campus and home have to have an integrated mission, that is education with a value system. They must inculcate moral leadership amongst children, which involves two aspects. First it requires the ability to have compelling and

powerful dreams or visions of human betterment. A state of things in which human beings could be better off in the future than they are now. Secondly, moral leadership requires a disposition to do the right thing and influence others also to do the right thing. If the child misses value based education in the school, no government or society can establish a transparent society or a society with integrity.

Elevating Young Minds: While I was in college, I remember lectures given by the highest authority of the Jesuit institution in which I studied, Rev. Father Rector Kalathil of St. Joseph's college, Trichirappalli, Tamil Nadu. Every Monday, he would take a class on moral science for an hour. He used to talk about good human beings, present and past, and what makes a good human being. In this class he used to give lectures on personalities like Buddha, Confucius, St. Augustine, Califa Omar, Mahatma Gandhi, Einstein, Abraham Lincoln including some scientific personalities and moral stories linked to our civilizational heritage. It is essential in secondary schools and colleges to have lectures by a great teacher of the institution once a week for an hour on the civilizational heritage of the nation. This class can be called as a Moral Science Class. That will elevate young minds to love the country, to love other human beings and elevate the young to higher planes. Throughout the world in every school it is essential that moral science is taught. We need a forum to promote moral science class as a part of the curriculum in all schools around the world. Now I would like to share an experience that I witnessed, that of religion transforming into a dynamic spiritual force.

Religion Transforming into Spirituality: Universal Mind

I would like to recall an incident which happened four decades ago. Prof. Vikram Sarabhai is the visionary of the Space Programme in India. He is well known for his cosmic ray research, an area that led to evolving the space research programme for India. Prof. Vikram Sarabhai was looking for a site to establish space research stations in the equatorial region. He visited a number of places. Thumba in Kerala in Southern India was selected by the scientific community for space research as it was near the equatorial region and was ideally suited for ionospheric research in the upper atmosphere apart from the study of atmospheric structure. When Prof. Vikram Sarabhai visited Thumba, the locality had series of villages, and thousands of fishermen folk were living in that area. It also had a beautiful ancient church, St. Mary Magdalene Church and a Bishop's House. Prof. Vikram Sarabhai met many politicians and bureaucrats to get the place for space science research. It did not move further because the nature of the

place. He was asked to see the Bishop of Trivandrum, at that time in 1962, Rev. Father Dr. Peter Bernard Pereira. It was a Saturday when Prof. Vikram Sarabhai met the Bishop. The Bishop smiled and asked him to meet him the next day in the church, which was a Sunday. After the morning Service, the Rev. Bishop invited Prof. Sarabhai to come to the dias. The Bishop introduced Prof. Sarabhai to the congregation and told them, "My children, I have a famous scientist with me who wants our church and the place I live for the work of space science research. Dear children, science seeks truth by reasoning and results into things like electricity, what we are using, or even our fishing boat and net construction, and our children's teaching tools, and what I do as a preacher, I pray for all of you to have peace and happiness in life. Dear Children, Prof. Vikram Sarabhai and myself want to have a prosperous people with peace. In one way, science and spiritualism seek the same divine blessings for doing good for the people. Now, dear children Prof. Vikram Sarabhai says he needs God's habitat that is our church, my habitat that is the Bishop's house, and your habitat, your houses. He promises he will give us back all what he takes. Dear children can we give, can we give? There was pin drop silence. All of them spontaneously stood up. A single voice reverberated in the holy St. Mary's Church, Amen-Amen-Amen. Subsequently, the big event took place in 1962. His Excellency Ret. Rev. Dr Peter Bernard Pereira, the Bishop of Trivandrum, took the noble decision to dedicate the church in recognition of the national goal for the establishment of the Indian Space Research Organisation at Pallithura, Thumba. That was the church where we had our design centre, started rocket assembly, design of filament winding machine for FRP product and the Bishop's House was our scientists' place. Later, the Thumba Equatorial Rocket Launching Station (TERLS) led to the establishment of the Vikram Sarabhai Space Centre (VSSC) and multiple space centres throughout the country.

When I think of this event, I can see how enlightened spiritual and scientific leaders, all converge towards giving reverence to human life. New church and new schools were established in record time. Of course the birth of TERLS and then VSSC gave the country the capability of design, development and produced a world class huge rocket system and subsequently, India got the capability of launching geo-synchronous, sun-synchronous and meteorology spacecraft, communication satellites, remote sensing satellites thereby provided fast communication, weather forecasting and also locate water resources for the country.

Today, among us, Prof. Vikram Sarabhai is not there, Rev. Dr. Peter Bernard Pereira is not there, but those who are responsible for creation

and make the flower and blossom will themselves be a different kind of a flower as described in the Bhagwat Gita: "See the flower, how generously it distributes perfume and honey. It gives to all, gives freely of its love. When its work is done, it falls away quietly. Try to be like the flower, unassuming despite all its qualities". What a beautiful message for all generations of this nation, on integration of minds and the universal mind. It is a great message to be spread. The message is, the best component of religion can be transformed into a spiritual force that will shape society.

So far I have discussed, the necessity of education with a value system for world youth and also best elements of religion transforming into a spiritual force.

Let me now discuss with you the third component of enlightened society for transforming a developing nation into a developed nation through achieving economic prosperity, so that large societal imbalances can be removed leading to a poverty free world. In this connection, let me take the example of India. With one sixth of the global population, a movement has commenced, for transforming India into a developed nation.

Economic Development: Transforming to a Developed Nation

Economic development is a vital requirement for any nation. I would like to present the strategy followed by India. This experience may be useful to Mauritius. Of the over one billion population of India, 260 million are living below the poverty line. In your country, I came to know that only 10 percent of the people are below the poverty line. They need education, they need habitat, they need health care, and creation of employment potential. Presently, India's GDP is growing at an average rate of 8 percent whereas economists suggest that to remove the poverty of 260 million people we have to grow at the rate of 10 percent consistently for over a decade.

To enable this situation, India has a vision of transforming into a developed nation by the year 2020. Five areas have been identified as missions based on India's core competence for integrated action: (1) Agriculture and Food Processing (2) Education and Healthcare (3) Infrastructure including quality electric power and a rural development programme called PURA (Providing Urban Amenities in Rural Areas) (4) Information and Communication Technology (5) Self reliance in critical technologies. These five areas are closely inter-related and being implemented in a mission mode that will lead to social, economic and national security.

One of the components through which the rural-urban divide will be bridged and prosperity will be brought to the seven hundred million people living in six hundred thousand villages is Providing Urban Amenities in Rural Areas (PURA).

The Mission of PURA (Providing Urban amenities in Rural Areas)

The number of potential PURA units for the whole country is estimated to be 7000. This envisages integrated connectivities to bring prosperity to rural India. These are - physical connectivity of village clusters through quality roads and transport; electronic connectivity through tele - communication with high bandwidth fiber optic cables reaching rural areas from urban cities and through Internet kiosks; and knowledge connectivity through education, vocational training for farmers, artisans and craftsmen and entrepreneurship programmes. These three connectivities will lead to economic connectivity through starting of enterprises with the help of banks, micro credit and marketing of the products.

Each PURA cluster will connect about 20-30 villages having a population of 30,000 people and will cost about twenty million dollars.

There are three types of PURA's: Plain terrain PURA, Coastal PURA and Hill PURA. For example for Mauritius Coastal PURA and plain terrain PURA are relevant. This is a viable and sustainable business proposition. After initial short-term employment during construction etc., we have to plan for initiating actions for providing regular employment and self employment opportunities in nationally competitive small enterprises in agro processing, manufacturing and services sectors for about 3000 people. By creating industrial/business parks employment opportunities in the support and services sector will increase to about 10000 people. This will provide sustainable economy for the rural sector. In this national mission, bankers can promote entrepreneurship in rural areas. This will lead to the removal of the urban-rural divide. PURA complexes should also have spiritual connectivity in addition to the four connectivities which I have described. I have personally come across four operational PURAs in my country, which demonstrates the viability of the PURA concept through private enterprises. India will be very happy to share this experience of a societal transformation mission of economic development, with Mauritius. While discussing with various leaders and experts during the last two days, I have realized that there are certain possibilities of partnership between Mauritius and India on certain common development programmes, which I would like to discuss.

Mauritius - India Partnership

Mauritius is acknowledged all over the world as one of the remarkable success stories in the history of nation building. Its rapid economic development, its ability to reconcile demographic diversity with social harmony and its solid institutional strengths are a model for other countries. We are also aware of the new challenges that the Mauritian economy faces in the present global context, particularly in the key areas of sugar, textiles and fisheries. Since Mauritius has a comprehensive 10 year plan for nurturing the sugar industry, particularly diversification we in India have certain experiences in the sugar industry, particularly successful cooperative movements and exploitation of bye-products like power generation and ethanol production. We would also like to share with you the research experience of the Vasantdada Sugar Institute of Maharashtra in Western India. Important results arising from the research are (a) less water cultivation (b) 12-18 months growth cycle (c) reduction of input cost for sugarcane cultivation and also sugar production and (d) regulated growth cycle of sugarcane so that factories can get continuous supply of sugarcane.

Regarding textiles, I would suggest using the cooperative model which is in practice in Tirupur in Tamil Nadu in Southern India. We have also some models in Punjab in Northern India where a collaborative effort between farmers, industrial representatives, extension workers and research scientists has resulted in doubling per hectare seed cotton productivity. In respect of fisheries, there will be a need for promoting an integrated approach in deep sea fishing, processing, packaging and marketing at high seas as is being presently done in Iceland, whose economy thrives mainly on fish export. Our institutions will share their individual experiences with your experts for finding innovative solutions to the challenges faced by you. This will definitely give further thrust to your economic growth.

Conclusion

In conclusion, I would like to refer to my address to the Pan-African Parliament on 16th September 2004 in Johannesburg. We suggested the establishment of a Pan African e-Network for providing tele-education, tele-medicine and Heads of the State network to 53 Pan African nations. This programme has commenced and will provide connectivity to the whole of Africa. We have signed an MoU for the Pan African e-network for Mauritius. I am very happy that tele-medicine connectivity has just been established

at Port Louis and will be extended to other places. We have great missions for transforming our nations into economically developed nations; above all our two countries have to join hands in the evolution of enlightened societies which I have discussed in detail. We need a joint world forum: "Organization for Evolution of Enlightened Societies", for realizing this purpose.

The type of mission in front of us is very complex and challenging. Let us share a great thought propounded by Saint Maharishi Patanjali in the Yoga Sutra in 500 BC:

"When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bounds. Your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great and wonderful world. Dormant forces, faculties and talents come alive, and you discover yourself to be a greater person by far than you ever dreamt yourself to be."

My best wishes to the people of Mauritius.

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MOROCCO

376. Media briefing on the visit of Foreign Minister of Morocco Mohammed Benaissa.

New Delhi, June 26, 2006.

As you know the Foreign Minister of the Kingdom of Morocco, Mr. Mohammed Benaissa is on an official visit to India from 25-27 June 2006. India's relations with Morocco are marked by warmth and friendly cooperation, and are multifaceted and significant. Both India and Morocco are pluralistic societies with diverse cultural trends.

During the visit Foreign Minister had discussions with Minister of State for External Affairs Shri E. Ahamed and discussed bilateral, regional and multilateral issues of national interest. He also called on the Prime Minister and other dignitaries. This evening, I understand he is calling on the Agriculture Minister as well as Tourism and Culture Minister.

The bilateral relations between the two countries have witnessed significant growth over the last decade as underlined by the exchange of high-level visits. Our former Prime Minister Shri Atal Bihari Vajpayee visited Morocco in February 1999. Minister of State for External Affairs Shri E. Ahamed visited Morocco in May 2005. Former Moroccan Prime Minister Abderrahmane Youssoufi visited India in 2000. King Mohammed VIth visited in 2001 and also paid private visits in 2003 and 2005.

The bilateral relations cover many aspects and sectors encompassing political, commercial and cultural cooperation. On the bilateral economic and trade relations, the growing sectors of mutual interest are phosphates, pharmaceuticals, agriculture, power, IT, education, telecommunications and tourism. Bilateral trade saw a steady growth and reached US\$ 575 million in 2005. Indian companies are taking increasing interest in Moroccan market for investment and trade. Morocco investment is also flowing into India, particularly in the phosphates sector.

During the visit, also the Foreign Minister who also happens to be a former Culture Minister underlined the possibilities of closer cultural cooperation between the two countries and a number of cultural exchange activities are planned. Indian films are a major hit in Morocco and an annual weeklong festival is held in Morocco. The Cultural Exchange Programme is likely to come into effect next year which will focus on youth exchanges

as well as bringing together not just Indian and Moroccan but Asian and African cultures.

Morocco also reiterated its support for India's candidature to UN Security Council.

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MOZAMBIQUE

377. Memorandum of Understanding between the Government of the Republic of India and the Government of the Republic of Mozambique on Cooperation in the Field of Defence.

New Delhi, March 6, 2006

The Government of the Republic of India represented by the Ministry of Defence and **the Government of the Republic of Mozambique** represented also by the Ministry of National Defence (hereinafter individually referred to as "Party" and jointly as "Parties");

Desirous to promote and expand bilateral relations in the field of defence between the two countries.

Conscious of the advantages to be derived by their armed forces and people from the promotion of such cooperation;

Have agreed as follows:

ARTICLE I

1. The Parties shall promote development of cooperation in fields of defence, which inter alia may include:
 - (a) Army;
 - (b) Navy;
 - (c) Air Force;
 - (d) Training;
 - (e) Logistic support; and
 - (f) Military technical cooperation

ARTICLE II

1. The Parties shall define the programme of activities and procedures of implementation.
2. The joint activities may include:
 - (a) Maritime patrolling of the Mozambican Coast by mutual agreement between the Parties;
 - (b) Training in Mozambican and Indian centres and military

training institutions in various military specialities, including in peace-keeping forces;

- (c) Supply of defence equipment/services to Mozambique as per their requirement on mutually agreeable terms;
- (d) Establishment of partnerships and transfer of know-how and technology for assembling and repairing of vehicles, aircraft and ships, as well as rehabilitation of military infrastructure.

ARTICLE III

1. The Parties shall promote cooperation in short, medium and long term ranges within the framework of joint activities mentioned in Article-I.
2. Biennial Cooperation Plans will be drawn up by mutual agreement between the Parties to give effect to the objectives of this Memorandum of Understanding (MOU).

ARTICLE IV

The sending Party will bear the cost of to and fro air transport and the receiving Party will facilitate the necessary means of local transport and other logistical arrangements.

ARTICLE V

1. Activities pursuant to this MOU are subject to the availability of funds and personnel, and to the laws and regulations of the respective Parties,
2. The parent country may withdraw personnel covered under this MOU from the programme for appropriate disciplinary action if they violate any applicable rules or regulations.

ARTICLE VI

1. A Joint Defence Working Group shall be formed to coordinate the implementation of the activities under this MOU.
2. The Joint Defence Working Group shall meet once every two years alternatively in India and in Mozambique.
3. The composition, venue and date of the meetings of the Joint Defence Working Group shall be determined by mutual agreement.

ARTICLE VII

1. Both Parties shall take necessary measures to ensure confidentiality

of information, obtained in the course of implementation of this MOU. This information shall not be used by either Party to the detriment of the interests of the other Party. Neither Party shall divulge such information to any third party without prior written consent of the other party.

ARTICLE VIII

1. All disputes arising from this MOU as regards its interpretation, application, or implementation shall be settled amicably based on mutual consultation or negotiation between the Parties.

ARTICLE IX

1. This MOU shall not, in any way, affect the commitments of the Parties under existing agreements between the two countries.

ARTICLE X

1. This MOU shall enter into force on the date of its signing and shall remain in force for a period of five (5) years and shall be automatically extended for two years at a time unless terminated earlier by either Party upon six (6) months prior written notice to the other Party of its intention to terminate this MOU.
2. Notwithstanding the termination of this MOU, the activities already in progress shall continue until completed.

ARTICLE XI

1. The Memorandum of Understanding may be amended at any time by mutual agreement of the Parties or through exchange of notes.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have hereafter signed this Memorandum of Understanding in two originals each in Hindi, Portuguese and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

Done in English on this Sixth day of March 2006.

**For the Government of the
Republic of India**

(Shri Pranab Mukherjee)

**For the Government of the
Republic of Mozambique**

(Mr. Tobias Joaquim Dai)

NAMIBIA

378. Briefing Points by Official Spokesperson on the visit of Minister of State Anand Sharma to Windhoek, Namibia.

New Delhi, April 27, 2006.

- Mr. Anand Sharma is currently visiting Namibia to attend the SADC (South African Development Community) Consultative Conference where India has been invited to attend as one of its international cooperation partners; at the conclusion of this conference, he will attend the first ever meeting of the Indo-SADC Forum on April 28.
- On his first day in Windhoek on April 26, he attended the inaugural session of the SADC Consultative Conference which was opened by the Namibian President, Mr. Pohamba. Besides calling on his ministerial colleagues, he also paid a courtesy call on the President of Namibia. President Pohamba, a veteran leader of the Namibian freedom struggle, very warmly recalled India's close and staunch support to it. He remembered his own meeting with late Smt. Indira Gandhi in Dar es-Salaam in early 70s. He also referred to MOS's own close personal association with the Namibian freedom struggle and welcomed him as a friend of the Namibian people.
- Thanking the President for his sentiments, MOS discussed with him several issues in the ongoing bilateral cooperation, including the India-AU e-connectivity project. He also conveyed the Government's decision to help set up a faculty of engineering and management at the University of Namibia's northern campus: the first such project anywhere for capacity-building in the education sector. Before the conclusion of a warm exchange of views on a wide range of bilateral and international issues. MOS invited President Pohamba to pay a visit to India. Thanking the Minister for the invitation, the President remarked jokingly that his colleagues can not believe that he has never been to India!
- The Namibian President conveyed that India could count on Namibian support at the UN and other forums including support for Indian candidature in the HRC.
- MOS also called on the Namibian Minister for Mines & Energy during which both sides agreed that India should play an active role in joint

exploration and exploitation of minerals and energy sector in Namibia. It was agreed that Indian side would propose draft MOUs in this connection.

- MOS met Mauritian Foreign Minister Mr. Madan Dulloo for in depth discussions on how to energize India-SADC cooperation, apart from reviewing bilateral relations including action points arising out of exchange of high level visits including recent visit of President Dr. Kalam to Mauritius. It is the expectation of the Mauritian side that the proposed PTA between India and Mauritius would be signed soon.

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379. Briefing Points by Official Spokesperson on the visit of Foreign Minister of the Republic of Namibia Marco Hausiku.

New Delhi, October 26, 2006.

- Within a day of assuming charge as External Affairs Minister, Shri Pranab Mukherjee received H.E. Mr. Marco Hausiku, the foreign Minister of Namibia who arrived in New Delhi on 26th October, 2006 on a 3-day official visit.
- During their discussions, both sides, while reflecting on traditional and historical relations, discussed a broad agenda of bilateral cooperation in areas like education, agriculture, trade, mines and energy, technical training and defence. This agenda will facilitate Namibia's development priorities as well as provide new content to our bilateral relations suited to the ideals of the South-South cooperation. Namibia is one of the largest recipients of ITEC training. EAM also offered training for Namibian diplomats on WTO issues, trade and development, diplomacy and international relations. It was mentioned that our mission in Geneva had already requested for applications for training on WTO issues at the Institute of Foreign Trade (IIFT), New Delhi.
- During the discussions, ongoing negotiations for finalizing bilateral MOUs on agriculture, cooperation in mineral resources and energy, education, on Cultural Exchange Programme, IT kiosks' project, Pan

African eNetwork, were reviewed. Besides, discussions regarding the fixing of the date for the second Joint Trade Committee meeting and cooperation in the field of defence are taking place between the two sides.

- EAM also underlined the importance of cooperation with Namibia in the context of the launch of the India-SADC Forum in Windhoek in April, 2006. The areas identified for cooperation include HRD, Agricultural, Water resources management, Small & Medium Enterprises, Drugs & pharmaceuticals, ICT, trade, industry and finance which have considerable significance for Namibia as well. Namibia is well placed to host the SADC Projects given its excellent infrastructure and a pool of skilled people.
- EAM also pointed out that India will very soon launch negotiations with the Southern African Customs Union (SACU), of which Namibia is also a member. This will give a fillip to bilateral trade relations. Currently main Namibian imports from India are drugs and pharmaceuticals and its major exports to India are non-ferrous metals.
- Both sides exchanged views on the urgent need for UNSC reforms and Namibia once again conveyed its strong support for India's candidature for Permanent membership of UNSC. Namibia sought close consultations with India in the context of ongoing cooperation in the multilateral fora.

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SOUTH AFRICA

380. Press Release of the High Commission of India on the visit of Minister of State Anand Sharma to South Africa.

Pretoria, March 26, 2006.

En-route to Rio de Janeiro for the third IBSA Ministerial Commission meeting, Minister of State for External Affairs of India Mr. Anand Sharma paid an official visit to South Africa from March 24 to 26 – among his first bilateral visits abroad since assuming this office.

Relations between the two countries are at an all-time high; with hectic political contacts and a dramatic 74% increase in the value of bilateral trade in 2005. Tourism is also increasing in both directions. India has been selected as a key partner in South Africa's efforts to improve public service delivery through capacity building and skill formation. The two governments will be collaborating to celebrate this year the centenary of the launch of Satyagraha (loosely translated to Passive Resistance) in Johannesburg by Mahatma Gandhi, the icon that the liberation struggles of the two countries share in a unique bond.

The undoubted highlight of the present visit was when in an extraordinarily gracious gesture, illustrating both the close bonds prevailing between India and South Africa and the very special regard in which Minister Mr. Anand Sharma is held in this country for his contribution to the struggle against Apartheid, President Thabo Mbeki invited him to lunch on March 25 taking time off from a session of the National Executive Committee of the African National Congress for this meeting. Other members of the South African Government present at the lunch were the Defence Minister and the Deputy Foreign Minister. The visiting Minister briefed President Mbeki about the plans to institutionalize a regular India-Africa Dialogue to tackle the challenges of democracy and development, particularly in the context of globalization. President Mbeki warmly welcomed the idea. The President underlined the need to invigorate IBSA. The talks also covered various bilateral issues and other issues of common concern in the global context; including UN Reforms and the NAM Summit later this year.

On March 24, Minister Anand Sharma had a meeting with his counterpart, Deputy Foreign Minister of South Africa, Mr. Aziz Pahad in Johannesburg. The two Ministers discussed issues of bilateral, regional

and international interest, including preparations for the forthcoming Ministerial meeting of IBSA.

The Minister of State also met Dr. Essop Pahad, Minister in the Presidency to discuss the programme for the celebration of the Satyagraha centenary.

The South African Minister of Public Services & Administration, Mrs. Geraldine Fraser Moleketi and Minister for Public Enterprises Mr. Alec Erwin also met the Minister on March 25. During these meetings, the Minister discussed collaboration in the area of capacity building in the public service sector and co-operation among public sector enterprises of the two countries.

Mr. Sharma's links with South Africa are many decades old. His personal commitment to the struggle against Apartheid here is widely recognized. In addition to being Chairman of the Indian Anti-Apartheid Movement, he also chaired the World Youth Action Against Apartheid. He was appointed to observe the South African Transition Process and Elections in 1994 by the Commonwealth Secretary-General. He was the only 'foreigner' invited to share the podium at the ceremony to mark the 50th anniversary of the adoption of the Freedom Charter at Klip Town in June last year.

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381. Special Media Briefing by Secretary (West) Ministry of External Affairs Smt. Shashi Tripathi on Prime Minister Dr. Manmohan Singh's visit to South Africa.

New Delhi, September 28, 2006.

OFFICIAL SPOKESPERSON: Good afternoon everybody and welcome to this briefing by Secretary (West) Mrs. Shashi Tripathi on the forthcoming visit of the Prime Minister to South Africa.

SECRETARY (WEST): Ladies and gentlemen, distinguished members of the press, as you know, our Prime Minister will be paying an official visit to South Africa from September 30 to October 3 at the invitation of President Thabo Mbeki, President of South Africa.

The last visit to South Africa by an Indian Prime Minister was in 1997. This visit is a reinforcement of the strong ties between India and South Africa at the bilateral level and at the multilateral level.

The visit is also aimed at strengthening these ties and taking the relationship to a level higher than at present and giving it the content of a strategic relationship that has been talked about by both President Mbeki and by our own Prime Minister.

As you would recall, President Mbeki paid a visit to India in 2003. At that time he had used this phrase 'strategic relationship with India'. This was further reinforced when our President, President Dr. Abdul Kalam, visited South Africa in 2004.

Given the history of our relationship with South Africa where India had given very strong moral and material support to South Africa's liberation struggle and its struggle against apartheid, it is perhaps understandable why we have such a close relationship.

Again you would recall that India was among the first countries to sever trade relations in 1946 with the apartheid regime of South Africa. Throughout that era it played a very important role in bringing the issue of apartheid to the front burner of world attention until apartheid was dismantled. Also, the fact that Gandhiji launched his Satyagraha movement in South Africa and his journey as a freedom fighter began in South Africa accounts for the emotional ties that we have had with this country.

Our diplomatic ties with South Africa were established in 1993 after the country became independent. Since then we have had excellent bilateral relations. We have about 30 bilateral agreements in various diverse fields and some more are going to be signed during Prime Minister's visit this time, which I will tell you as we go along.

Prime Minister will reach on the 30th of September. On the 1st of October he will participate in the Satyagraha Centenary commemoration. This event will take place at a stadium. The highlights of this event will be: an address by President Mbeki, an inter-faith service and introduction of relatives and colleagues – those who are still alive – of the original Satyagrahis. There is going to be a cultural element to this commemoration. There will be one aspect from India and one from South Africa. From our side, Ustad Amjad Ali Khan Sahab will perform.

On the 2nd, on the programme is homage paid at what is called Umbilo Road Resistance Park where 40 years after the birth of Satyagraha, South Africans put into practice the principles of Mahatma Gandhi and offered passive resistance against apartheid laws, especially with regard to segregation of certain areas. This park was meant for whites only. So, these Satyagrahis went there and did a dharna there to protest against that law.

Prime Minister will also visit the Phoenix Settlement which was set up in 1904 by Mahatma Gandhi. This has since been reconstructed and renovated with the help of the two Governments.

The 2nd of October is devoted to bilateral discussions and bilateral talks. These will involve the Heads of Government and the delegations. Also, the President will address the CEOs Forum where leading CEOs from both India and South Africa participate. I suppose you do know that the CEO's Forum had been set up a couple of years ago and the Chairman of that is Mr. Ratan Tata. He is also the Advisor to President Mbeki in his own personal capacity.

Apart from this, various agreements will be signed - one is on railways, another one is on education, and the third one is on cooperation in science and technology. There are some agreements which are being negotiated and these are in the pipeline. These are: a framework agreement for preferential trade agreement (PTA) with South African Customs Union (SACU) between five countries of South Africa; the Bilateral Investment Promotion Agreement (BIPA) in Agriculture and Sports. These are being negotiated by the two countries. They may or may not be reached by that time but these are being worked out. This is work in progress, as it were.

On the 2nd of October, the Prime Minister will inaugurate an exhibition of Mahatma Gandhiji's photographs in the Old Fort. This is Prison Number Four where Gandhiji was incarcerated at one time and he spent time in that prison. So, this is another emotional kind of engagement that he is participating in and inaugurates that exhibition. This exhibition will take place in Johannesburg: the talks will take place in Pretoria. The CEOs Forum also will take place in Johannesburg. As you know, Pretoria and Johannesburg are twin cities. So, the distance is not very great.

I know you are going to ask this and I will tell you anyway. A meeting with Mr. Nelson Mandela is on the cards. Where and when is being worked out. This is the nuts and bolts of the programme. Those of you who are

coming along with the Prime Minister's delegation would be given your booklets on the flight. So, you will know the details.

If there is anything else you wish to know, please do ask me. If you wish to know anything about South Africa, I will do my best to answer.

QUESTION: Is there going to be a visit to Pietermaritzburg?

SECRETARY (WEST): Yes, there is a visit to Pietermaritzburg on the programme. That was the railway station where Gandhiji was evicted from the train, and that changed the course of his life and the course of world history.

QUESTION: Can you elaborate a bit on the strategic content of the relationship between India and South Africa and as to how this visit would help in that?

SECRETARY (WEST): Over these years, as I said, we have built this relationship. The underpinnings of this relationship are formed by trade and investment.

Our bilateral trade with South Africa at the moment is to the tune of four billion US dollars which is quite considerable if you think of the rest of Africa or many other countries. But we think that this is only a fraction of the potential which exists of trade which should exist between India and South Africa, given the kind of resources that South Africa has – mineral resources, the skills resources – and the kind of resources India has and the strengths that India has. That is what we wish to develop.

The new trend and the encouraging trend has been investments. There have been an increasing number of investments from India into South African market. The areas which have been found more attractive for investment are: pharmaceuticals, infrastructure, telecommunications and even breweries. We have United Breweries present there, we have the Mahindras present in South Africa and, of course, Tatas. We have Banks which are present in South Africa. The NIIT has an office in South Africa. So there is presence in IT, telecommunications, pharmaceuticals and infrastructure. Science and technology is now coming up because South Africa is also in some ways at the cutting edge of technology especially in fuel technology. As you might have heard, their technology which is coal to gas and coal to liquid is a unique kind of technology which we also would like to access and we would like to cooperate in.

On their part, they are very keen to get from India skills because that is a shortage which they feel extremely acutely. There are two programmes which South Africa has started. President Mbeki has homed in on the problems besetting the South Africa. These problems have been identified as poverty and unemployment. The way to overcome these two problems they feel, is through creation of skills and creation of infrastructure which will lead to delivery of services to society.

Black empowerment has been taking place. They have an affirmative action programme in South Africa but they want to accelerate that. Naturally the less-privileged sections of the society are now waiting to see the fruits of development go down to the grassroots, as it happens in every developing country. So, there is this need to hasten the process of development. In that they find that India can be a very important and useful partner.

In fact, recently we had our Joint Commission meeting a couple of months ago. Their Minister for Human Resources Development and Capacity Building and some other Ministers were here. They were very keen on knowing from us how to build skills. We have signed with them an MoU on assistance in capacity-building. That programme of action is being worked out on that score. These are the things which are adding content to our already strong relationship.

With regard to science and technology, as you know, they have one of the most important telescopes called SALT. They also have other programmes. Through our science and technology agreement now, that cooperation we want to move forward. These are some of the things. When our President had gone to South Africa in 2004 he had made a proposal at the Pan-African Parliament. He had suggested that India could share with Africa its knowledge of technology, especially of information technology and give to Africa - 53 countries of Africa - satellite connection and fibre optic connection to enable African countries to bridge the digital divide and also to assist in giving the benefits of tele-education, e-education, distance education and the tele-medicine to different countries. This was received extremely well.

Since then we have been working on this proposal. ISRO prepared a project report. We signed an MoU with the African Union after which we began to discuss this proposal bilaterally with different countries of Africa. The position today is that this project is very much on board. Fifteen countries have signed these MoUs to be on board for the first clutch of countries which will take advantage of these services. A pilot project is being set up

in Ethiopia in Addis Ababa. This is going to go on stream from the first week of October. So, it is absolutely ready. The hub for this e-satellite project as it is called is being set up in Senegal, which means the earth station is going to be located there and from there connections are going to be given to different countries. So, that also will be discussed with South Africa. So, these are the various components of bilateral interaction.

Thank you.

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382. Statement by Prime Minister Dr. Manmohan Singh on Departure for South Africa.

New Delhi, September 30, 2006.

I am visiting South Africa to participate in the Satyagraha Centenary Celebrations being organized by the Government of South Africa. The philosophy of Mahatma Gandhi of resisting injustice and oppression by pursuing the path of truth and non-violence was born in South Africa and is a powerful legacy that is shared by the people of India and South Africa.

I will also visit places which mark some milestones in the Mahatma's remarkable life; the Pietermaritzburg station where he was thrown out of an all white train compartment, Phoenix Settlement and the Constitution Hill prison where he was incarcerated. I will also visit the Umbilo Park Memorial where several years later, brave South Africans opposed the injustice of the apartheid regime.

I also hope to have the opportunity to meet Dr. Nelson Mandela whose life and work bear Gandhiji's deep influence.

I will have the opportunity to review bilateral relations and the India-South Africa Strategic Partnership with President Mbeki. I hope to discuss with President Mbeki measures that both countries can take to further deepen our partnership.

South Africa is India's biggest trading partner in the African continent. Many Indian companies are expanding their business presence there.

Similarly, I think that there is much that South Africa can offer India. I hope we will be able to identify steps to enhance our current commercial and economic relationship.

I will also take this opportunity to discuss with President Mbeki current international issues. Our two countries share a common vision of a cooperative, rule-based multi-polar world order. I think that South Africa and India have a major role to play in carrying forward the agenda for reforms at the UN, including the expansion of permanent membership of the UN Security Council, so that the interests of the developing world are better reflected and realized in this organization, and in newer initiatives such as IBSA.

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383. Joint Press Conference of Prime Minister Dr. Manmohan Singh with South African President Thabo Mbeki.

Johannesburg, October 2, 2006.

PRIME MINISTER: Ladies and gentlemen, this has been the most satisfying visit for me, particularly, since it coincides with Gandhiji's 137th Birthday today. I take this opportunity to thank President Mbeki and the people of South Africa for their traditional warmth and affection for India. I would also like to express my sincere appreciation to His Excellency the President and to the South African Government for the warm welcome and hospitality extended to me and my delegation.

President Mbeki and I have had very fruitful discussions this morning continuing upon our meet in Brasilia and in Havana last month. We are satisfied with the steady growth in our multidimensional relationship and this is reflected in the Joint Declaration that we have just now signed.

India and South Africa enjoy excellent bilateral relations. I mentioned to His Excellency the President that developing our strategic partnership with South Africa is something which unites all shades of political opinion in our country. We are, therefore, keen to work with South Africa to enhance and give more meaning and content to our strategic partnership.

We have decided to maintain active contact at all levels to deepen our mutual understanding on bilateral and international issues. Both our

countries face the common problem of ensuring that the fruits of development reach those who need them most. President Mbeki and I discussed how we can exchange experiences and best practices to achieve this objective.

India's strengths are in the service industry and human resources development. We have offered to be a partner in South Africa's accelerated and shared growth initiative. President Mbeki and I have asked our officials to draw up a concrete programme of cooperation to implement this. South Africa is India's biggest trading partner in Africa. Many of our Indian companies are present here and are expanding their business presence. The rapid growth of the Indian economy offers excellent opportunities to both sides.

President Mbeki and I have decided to qualitatively enhance our commercial and economic relations. The India-South Africa CEOs' Forum, which is holding its third meeting today, will provide a further momentum to our economic cooperation in the jointly identified priority sector.

India and South Africa have active cooperation in the field of science and technology. We welcome the recent signing of a new programme of cooperation between our two countries in this vital sector.

Our two countries share a common vision of a cooperative, rule-based multipolar world order. During our discussions, we decided to strengthen our cooperation in the reform of the United Nations system and in particular reform and expansion of the United Nations Security Council without which the overall reform of the United Nations will remain incomplete.

I have invited President Mbeki to visit India at his earliest convenience. I look forward to continue to work with His Excellency the President to enhance our strategic partnership to give it more meaning, content and thrust.

Thank you.

QUESTION:...(Inaudible)... Are you in fact supportive of South Africa's aspiration to be a permanent member of the United Nations Security Council?

PRIME MINISTER: Yes, very much. South Africa, by virtue of its standing, by virtue of its role in Africa and in the international system, is eminently entitled to that place.

QUESTION: This question is addressed to both of you. I heard several mentions of the strategic partnership between the two countries. Could you tell us a little more about the details of that, specifically with regard to the civilian nuclear programme that India is pursuing as well as the other issues of military and intelligence cooperation?

PRIME MINISTER: We discussed the possibilities of cooperation in civilian nuclear power utilization. I explained to His Excellency President the agreement that we have reached with the United States which is now before the US Congress. After it is passed by the Congress, it will go before the Nuclear Suppliers Group. South Africa is a member of the Nuclear Suppliers Group. I express the hope that when it reaches the Nuclear Suppliers Group, South Africa will take a sympathetic view of India's concerns.

SOUTH AFRICAN PRESIDENT: I must mention also that this issue is a very important issue of the struggle against terrorism. It can be very important indeed with this element of the need to have this convention approved by the United Nations and India must work on that to really to push for that. But also cooperation at this level indeed between the two countries to share information and so on, act together on this matter is very important.

QUESTION: I wonder if you could give us your response to the Indian Prime Minister's request for South Africa's support at the Nuclear Suppliers Group.

SOUTH AFRICAN PRESIDENT: We have discussed the matter as the Prime Minister says and indeed we all are awaiting the outcome of the processes at the US Congress. The matter has been discussed by the Nuclear Suppliers Group already. There was a meeting earlier this year in Brazil where the matter was discussed. Of course, it could not be resolved until the other processes are finished. South Africa would have no problem with that. So, when the matter has formally to be decided, surely South Africa will support that.

QUESTION: Mr. President, you have referred to the issue of terrorism. As you know, India has faced and continues to face this terrible menace. I was wondering whether you could tell us specifically what your assessment is about the war on terror. Do you think it is succeeding, or do you think it is failing? In particular, as far as India is concerned, how will ...(Inaudible)... to the struggle against the terrorist activity?

SOUTH AFRICAN PRESIDENT: I am not sure that one would be in any position to say the war against terrorism is succeeding or not succeeding. I suppose to the extent that any act of terrorism occurs, it must mean that war has not been won. Surely I do not think anybody would say it has been. One of the matters, we are talking here is about international terrorism, people who move across borders and do whatever it is that they may act. The sharing of information, therefore, I think is kind of inherent to that because you never know it may be that somebody wants to commit a terrorist act ... (Inaudible)... flown in from here or something. So, the sharing of information becomes important with regard to this fight as extensively as possible so that if we are able to warn one another or to advise watch this, watch the other, that should be done. Certainly, we ourselves would want to share India's experience with regard to dealing with this matter. For instance, I am sure you have been following the investigations with regard to the act of terrorism in Mumbai and Indian police, law enforcement authorities have arrested people and so on, of course, who will then go to court. But you see that kind of an act becomes very important for our own law enforcement authorities to gain experience as to how to deal with this kind of a challenge. So, it is like a partnership so that in the end we empower each other with regard to capacity to deal with this. But also with regard to intelligence, forewarning, ability to act in particular ways, preferably to stop these acts of terrorism before they occur, surely we have to do this.

QUESTION: Mr. President, did the issue of UN reform come up in the discussions with our Prime Minister? Secondly, is anything being done on telemedicine because there are certain difficulties both countries face particularly HIV/AIDS? Has that been discussed?

SOUTH AFRICAN PRESIDENT: As the Prime Minister indicated, yes indeed we did discuss UN reform and in particular the reform of the Security Council and the need really to bring maximum pressure to bear on this matter so that there is movement forward. Of course, you would appreciate the fact that India and South Africa agree about this but in the end we have got to act with other countries to bring in the critical weight and mass of support for really some speedier movement. ... (Inaudible)... discussed and we agree fully about the issue. I referred to the matter of India's cooperation in satellites, e-communication in the continent One of the issues that (this) infrastructure would address is the matter of e-medicine, telemedicine. So, yes, indeed it is very much on the agenda. As I was saying, what is happening now practically is implementation of this. In fact it is a matter that was announced by the President of India when he was

here, and he has repeated again in a lecture that he gave now on the 27th by satellite, to help the continent to have the infrastructure to be able to deal with telemedicine in order to meet the challenges of weaker infrastructure within the African continent. So, it is very much on the agenda.

QUESTION: Mr. President, yesterday you poignantly invoked the spirit of Mahatma Gandhi's concept of Satyagraha when you said, "To act together, to contribute to the emergence of a just global order across the developing world and moving forward from the South African-Indian paradigm".

SOUTH AFRICAN PRESIDENT: I suspect that we have got, India and South Africa, other ways by which to make our voices heard. I do not think, therefore, that it is necessary for the Prime Minister and I to mobilise India and South Africa to run a campaign of civil disobedience in order to get it changed in the Security Council of the UN. We will use other means. But the critical point really is, to the extent that anyone of us here has understood Satyagraha, is the inherent principles in it. It is the example that Mahatma Gandhi gave to see how we use the fact of the centenary, today is his birthday, to kind of try to re-infuse those ideas, that vision, that value system, both in our own countries particularly among the youth but also in terms of the ordering and restructuring of international relations. It is important in a situation such as you can see. We are talking just now about terrorism. All the conflicts in the world, the re-emergence – the Prime Minister was saying to me just now that - you see you have a process of globalization and yet you can see many instances of the reemergence of ethnic tensions which lead to conflicts and so on. So, to say there needs to be a response to all of this so that indeed we do construct a better world - and to construct that better world must mean not only more houses, that is important, and more clean water, that is important, and roads and jobs, they are all important, but - it also means the soul of the people. I am saying that Satyagraha in addition to the action of civil practice values and these principles it contains I think are critically important in terms of the reconstruction of the world so that it is more peaceful, more inspired by human solidarity, more inspired by concern for the interest of the ordinary people and so on, (and is) implementation of Satyagraha to that extent.

384. Remarks of Prime Minister Dr. Manmohan Singh at the India – South Africa CEOs' Forum.

Johannesburg, October 2, 2006.

Ladies and Gentlemen,

I am delighted to be here at the inaugural Session of the third meeting of the India-South Africa CEOs' Forum. I thank President Mbeki for the personal interest and commitment he has shown in the creation and functioning of this forum. An important aspect of India's changing relationship with the world, and with our key partners, is the growing role of business-to-business interaction. Indeed, in many instances it is closer and deeper people-to-people and business-to-business relations that are driving our bilateral government-to-government relations.

I know that all of you share my enthusiasm for closer business and trade relations between our two countries. The CEOs' Forum is an excellent vehicle for our business communities to forge useful linkages and to add dynamism to our bilateral commercial engagement. While it is true that South Africa is India's foremost trading partner in Africa, in terms of global trade of both countries, our bilateral trade is negligible. However, it has shown an impressive increase over the last couple of years. We must work hard to sustain it.

This growing interaction between the business communities of India and South Africa has been driven by the growing confidence of Indian business. The Indian private sector has emerged as the engine of growth in the Indian economy. It has also gone global in a big way. Some Indian companies are already present in South Africa and I hope that more will follow.

Businessmen from both India and South Africa should feel much more at home in each other's countries. English is widely spoken in both countries, and we share values of democracy and pluralism. The presence of a large number of people of Indian origin in South Africa should also help cement our business relationship.

The fundamentals of the Indian economy are strong and robust. We are confident of sustaining our high economic performance.

We have been able to register a economic growth rate of 8.0% for four years in a row. Most analysts now believe we can sustain this rate of growth into the medium term. Indeed, we aim to raise the growth rate to the 8-10% bracket in the near future.

Corporations from all over the world are establishing themselves in India. They seek to take advantage of the pool of high quality scientific talent and skilled work force in the manufacturing and services sectors. They see India as a vibrant marketplace and a growing market. They all find India a productive and profitable business destination.

South African companies can also exploit these opportunities and advantages. It should be an incentive to them that several Indian subsidiaries of prominent multinational corporations have out-performed their parent companies!

There is immense scope for India-South Africa cooperation. For example, many global companies have successfully leveraged the advantage India offers to set up R & D facilities and business process outsourcing operations. Infrastructure and power are other areas with excellent potential for collaboration.

Other corporations are planning to expand their operations in India, not only to exploit the enormous opportunities that a market of over a billion consumers offers but to use India as a hub of their activities in the region. With the South Asian Free Trade Agreement in place and India-ASEAN Free Trade Agreement under negotiation, the potential is unlimited. I would not like South African companies to miss the bus.

Another avenue which holds excellent potential is not just two-way investment but pooling together of the strengths of the two economies for joint exploration of third markets. I would like you to explore this avenue actively.

Let me conclude by sharing with you the task that President Mbeki and I have set for you! This is to double the trade turnover as well as two-way investment by 2010. With the growth paths on which our two economies are set, this should be feasible. You must put your weight behind it and be willing to explore hitherto uncharted territories. We assure you that both our Governments stand ready to assist you in any way that you may require to achieve this ambitious target.

In conclusion, I would like to wish the Forum all success. I invite you to contribute to the enhancement of the strategic partnership between India and South Africa.

Thank you.

385. Remarks by Prime Minister Dr. Manmohan Singh at the inauguration of the exhibition “M. K.Gandhi: Prisoner of Conscience”.

Johannesburg, October 2, 2006.

President of the Republic of South Africa Mr. Thabo Mbeki, Chief Justice of the Constitutional Court Mr. Justice Pius Langa, Executive Mayor of the City of Johannesburg, Your Worship Councillor Amos Masondo, Distinguished guests, ladies and gentlemen, 137 years ago today a man was born in India about whom Albert Einstein said that “generations to come will scarce believe that such a one as this ever in flesh and blood walked upon this earth”. This Indian, who often said that it was South Africa that transformed him – was, of course, Mohandas Karamchand Gandhi, whom the world has come to call Mahatma – the great soul. This exhibition which has been opened today will go a long way in ensuring that generations to come will remember that there was indeed such a man, who rose to greatness, without seeking it, in this country. I hope they will come to understand his life and work, and be inspired to follow his ways, though the Gandhian path is not an easy path. This exhibition makes that obvious.

Gandhiji would be elated to see the fulfillment of his aspirations for peace and reconciliation in the transformation South Africa underwent under the leadership of Madiba, on whom, in the eyes of the world, the mantle of the Mahatma seemed to have descended.

Another follower of the vision of the apostle of peace South Africa can boast of proudly is, Archbishop Desmond Tutu. I have great pleasure in announcing that in recognition of his invaluable contribution towards social and political transformation through dialogue and tolerance – truly Gandhian values – the Government of India has decided to award the 2005 Gandhi Peace Prize to him.

As a prisoner in South Africa, Gandhiji made a pair of slippers for General Smuts, who had sent him unjustly to jail. I believe those slippers are in the exhibition today. They symbolize so effectively all that the Mahatma stood for, refusing to demonise even the oppressor. The Mahatma never compromised in the fight against injustice, or in pursuit of the truth. But there was no room in his credo for hatred or violence.

Ladies and Gentlemen, this year is the centenary of the movement, which the Mahatma launched in South Africa, which contributed to India's

freedom, influenced many liberation struggles in Africa, gave inspiration to the American civil rights movement. But the question is sometimes asked –are the Mahatma and the practice of satyagraha relevant today?

The answer was given five years ago when the date on which satyagraha was launched became known almost universally as 9/11. That day thousands of innocent persons lost their lives in the terrorist attack that brought down the World Trade Towers in New York. 9/11 has come to symbolize the twin evils of violence and hatred that the Mahatma rejected. September 11 therefore now symbolizes a choice that the world has to make. Which is the path we should take – the path of a peaceful struggle for justice, or the path of a brutal violence that targets innocents?

As always, the Mahatma summed it up. “An eye for an eye”, he said, “will make the whole world blind.” On Constitution Hill, we must remember that only justice should be blind. The rest of the world must learn the lesson of Gandhiji’s life of non-violent, peaceful struggle in the service of humanity.

This is the legacy that the City of Johannesburg has sought to preserve in this permanent exhibition and I would like to thank all those who have been involved in this initiative.

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386. The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India.

Johannesburg, October 2, 2006.

1. In commemorating the centenary of the launch of Satyagraha, and in the spirit of the strategic partnership that was established during the historic visit of South Africa’s first democratically elected President, Nelson R Mandela to India in March 1997 and carried further by the visit to India by President TM Mbeki in October 2003 and the visit to South Africa by President APJ Abdul Kalam in September 2004, South Africa and India reaffirm their commitment to a global order of peace, equality and justice.
2. President Thabo Mbeki and Prime Minister Manmohan Singh paid

tribute to the global role played by Mahatma Gandhi through the implementation of the principles of truth, non-violence and self-sacrifice, as enshrined in the philosophy of Satyagraha. Gandhi's influence was felt throughout the world and inspired numerous leaders and renowned personalities like Martin Luther King, Albert Luthuli, Oliver Tambo, Nelson Mandela and Desmond Tutu. It was the unflinching spirit of Mahatma Gandhi that contributed decisively towards the demise of the British Raj; similarly it inspired the struggle against apartheid, particularly during the Defiance Campaign. Above all, it was the strong message of non-violence contained in Gandhi's Satyagraha that helped to bring about a peaceful transformation in South Africa and the realisation of truth and reconciliation between the destructive human divisions that had been spawned by apartheid.

3. In sharing the fundamental values espoused by Mahatma Gandhi, President Mbeki and Prime Minister Singh stress their continued and unfaltering belief in the peaceful resolution of disputes and the recognition of the rights of nations to self-determination and freedom.
4. President Mbeki and Prime Minister Singh express their belief that South Africa and India draw their strength and inspiration from the diverse, multi-cultural societies constituting their respective nations; and that the best assurance for continued peace and prosperity lies in the adherence to democratic governance that is rooted in the respect for human dignity and the fundamental rights of all people, as laid down in the Universal Declaration of Human Rights.
5. The two national leaders furthermore reaffirmed their belief in the growing partnership with the signing of the following bilateral agreements/MOUs:
 - Co-operation in the Field of Education
 - MOU between Spoornet and Railways They furthermore noted that the following agreements will be signed imminently, once the regulatory procedures have been completed:
 - Exemption of Visa Requirements for Holders of Diplomatic and Official Passports
 - Programme of Co-operation in Science and Technology.
6. Conscious of the need to make the partnership more result-oriented and of greater direct benefit to the peoples of South Africa and India,

President Mbeki and Prime Minister Singh have today decided to intensify co-operation and committed themselves to raise the existing level of friendship and partnership between South Africa and India to even higher levels.

7. Both leaders noted that the political interaction between India and South Africa, marked by an exceptional degree of understanding, mutual trust and confidence, had gathered further momentum and substance. The number of Ministerial visits exchanged had increased significantly since the milestone visit of President Mbeki to India in 2003. They expressed their satisfaction at the continued and steady consolidation of bilateral relations. Besides the deep political bond that was first forged more than a century ago, the partnership now extends to the economic, human resources development, public administration and governance, urban and rural settlement, health, defence, cultural and science and technology fields.
- 8.1 Recalling that the Red Fort Declaration had recognised that the economies of South Africa and India have certain comparative advantages, complementarities and resources which can be exploited to mutual benefit through trade, investment and transfer of technology, they noted with satisfaction the progress that had taken place in these areas, resulting in more than doubling of the total bilateral trade since 2003 and a significant increase in investments in both directions. They acknowledged, however, that the full potential in this regard was yet to be tapped and reaffirmed their determination to explore these opportunities to their optimal extent, particularly in the following priority sectors: energy, tourism, health, automobiles and auto components, chemicals, dyes, textiles, fertilisers, information technology, small and medium enterprises and infrastructure.
- 8.2. They urged the private sectors of both countries to gain better awareness of each other's strengths and to set themselves ambitious targets. It should be possible at least to treble the volume of bilateral trade by 2010. In this context, they welcomed the scheduled third meeting of the India-South Africa CEOs' Forum in Johannesburg on 2 October 2006, which would contribute towards this goal.
- 9.1 Recognising the major priority attached to the health sector in both countries, they agreed that the Agreement on Co-operation in Health and Medicine should be implemented expeditiously.

- 9.2. Further, South African and Indian companies providing health services, including diagnostics and medical care, would be encouraged to work jointly to provide affordable health care to nationals of both countries as well as in third countries.
10. Recalling the important Agreements, which were signed in October 2003 to promote co-operation in the fields of hydrocarbons, electricity and power, they agreed that these should be implemented at the earliest.
11. They noted the progress made in bilateral defence co-operation as reflected in the report of the India-South Africa Defence Committee, which met in June 2006 in Pretoria. They agreed that South Africa and India should work towards closer co-operation in the defence sector, including the possibility of joint research and development. Furthermore, the South African Government expressed appreciation for the training provided by India on UN Peacekeeping and operations of modern submarines.
- 12.1. Lauding the efforts of the South African Government for promoting broad-based economic and social development through the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and the Joint Priority Skills Acquisition Initiative (JIPSA), Prime Minister Singh reaffirmed that the Indian Government was ready to be a partner in these initiatives and to provide assistance in building up scarce and critical skills identified by the South African Government.
- 12.2. President Mbeki welcomed the growing co-operation within the framework of the Indian Technical and Economic Cooperation (ITEC) Programme and Prime Minister Singh's indication that India would increase the number of ITEC slots allocated to South Africa from 55 to 100, with 50 of these slots earmarked specifically for the JIPSA Initiative.
- 12.3. Noting with satisfaction that the visit of the Deputy President of South Africa to India from 9 to 13 September 2006 had helped identify further avenues through which India could contribute to ASGISA and JIPSA, the two leaders decided that a Programme of Co-operation addressing growth and skills would be drawn up by designated co-ordinators from both sides.

- 12.4. To identify means of co-operation in capacity building and skills enhancement in the key ICT sector, they requested the Working Group set up under the MOU on Information & Communication Technologies to convene as a matter of priority.
13. They expressed satisfaction at the increasing cultural exchanges between the two countries and decided that the Cultural Exchange Programme, which expires in 2006, would be renewed; and that academic exchanges between the two countries, particularly through University-to-University linkages, would be promoted.
14. President Mbeki and Prime Minister Singh expressed their satisfaction on the opening of the South Africa Tourism office in Mumbai in 2005 and reaffirmed their belief that increased tourism would not only bring commercial benefits to both countries, but also enhance the warm people-to-people relations between South Africa and India. In this context, they welcomed the imminent opening of an office of the International Marketing Council (IMC) of South Africa in Mumbai.
15. In the critically important field of Science and Technology, President Mbeki and Prime Minister Singh agreed that a more extensive and active network between relevant institutions of the two countries would be promoted by the concerned Departments. They noted that President Abdul Kalam had delivered the second Philip Tobias Lecture at the invitation of President Mbeki and had called for greater co-operation between scientists of South Africa and India in meeting the challenges of development, including in partnership in the Pan African e-Network and the World Knowledge Platform.
16. In addressing wider areas beyond the bilateral realm, the two leaders agreed that every effort would be made to conclude the India-Southern African Customs Union (SACU) Preferential Trade Agreement as soon as possible since it would provide a significant incentive to the business communities of the two countries to explore mutually beneficial commercial opportunities and contribute to the growth in bilateral trade.
17. President Mbeki and Prime Minister Singh welcomed the launching of the Southern African Development Community (SADC)-India Forum in the Republic of Namibia on 28 April 2006 to promote technical co-operation between SADC and the Government of India

in all fields of economic activity with the empowerment of the people in the SADC region and in India as a key priority.

18. The two leaders agreed that the consolidation of the African Union (AU) held the key to the development of the continent. South Africa welcomed India's willingness to support the objectives of the New Partnership for Africa's Development (NEPAD), the AU's primary programme aimed at consolidating the African agenda.
19. The two leaders expressed satisfaction at the outcome of the first IBSA Summit held in Brasilia on September 12, 2006. They welcomed the emergence of IBSA as an effective instrument for promoting ever-closer co-ordination on global issues between these three influential and diverse democracies of Africa, Asia and South America. Both sides also agreed to intensify consultations and co-operation at multilateral forums such as NAM, Commonwealth, G-77, G-20 and the New Asian-African Strategic Partnership (NAASP) with a view to jointly addressing global challenges.
20. The two leaders shared the view that international economic relations continue to be characterised by inequities and inequalities with large sections of the world yet to reap the benefits of globalisation, which has led to economic crises and instability in several developing countries. The two leaders agreed that to be sustainable and successful, the globalisation process must address, not perpetuate or aggravate the existing inequalities. They, therefore, deeply regretted that the Doha Development Agenda negotiations had been suspended which had pitted the interests of corporate agriculture and large industrial enterprises of the developed countries against those of small and the vulnerable producers that predominate in developing countries. This constituted a grave setback to the development promises of the Round and a serious disappointment for developing countries. Failure to conclude the negotiations in accordance with the mandate will deprive developing countries of fair and equitable conditions for fully realising their comparative advantages across agriculture, industry, and services. Both leaders emphasised that substantial and effective reductions in all forms of trade-distorting domestic support provided by the major subsidisers is an unfinished agenda and must be secured to meet the agreed aim of establishment of a fair and market-oriented trading system in the global agricultural sector.

- 21.1. Convinced of the vital importance of the role of the United Nations in promoting world peace, stability and development, the two leaders welcomed the creation of the Peacebuilding Commission and the Human Rights Council, as well as the progress made in the areas of UN Secretariat and management reform. The leaders noted the importance of increased focus on development and the alleviation of poverty.
- 21.2. They reaffirmed the need for a decision regarding the expansion of the Security Council, without which no reform of the United Nations would be complete. They reiterated their conviction that the Security Council must be expanded to include developing countries from Africa, Asia and Latin America in both its permanent and non-permanent categories, so as to reflect contemporary realities and make it more democratic and representative, and resolved to continue to pursue a decision in this regard.
22. The two leaders expressed their deep concern over international terrorism, extremism, trans-border organised crime and illicit trafficking in humans and in arms and drugs. They viewed terrorism as a serious threat to sovereign states, international peace, security and development. They agreed that counter-terrorism efforts by the international community under the auspices of the United Nations should be global, comprehensive and in conformity with international law, human rights and humanitarian law. The ultimate objective is the total eradication of this scourge, so that barbaric attacks, such as the ones carried out on 11 July 2006 in Mumbai and other parts of the world, do not recur. To this end, South Africa and India would continue to work towards the early adoption of a Comprehensive Convention on International Terrorism (CCIT) in the UN General Assembly.
23. President Mbeki and Prime Minister Singh reiterated the unwavering commitment of South Africa and India to the goal of the complete elimination of nuclear weapons in a comprehensive, universal, non-discriminatory and verifiable manner and expressed concern over the lack of progress in the realisation of that goal. They emphasised the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons with a specified framework of time to eliminate nuclear weapons, to prohibit their development, production, acquisition, testing, stockpiling, transfer, use or threat of use, and to provide for their destruction.

24. They agreed that nuclear energy could play an important role in ensuring safe, sustainable and non-polluting sources of energy to meet the rising global demands of energy, particularly in developing countries. They reaffirmed the inalienable right of all States to the peaceful application of nuclear energy, consistent with their international legal obligations. They agreed to explore approaches to co-operation in the peaceful uses of nuclear energy under appropriate IAEA safeguards. They further agreed that international civilian nuclear co-operation, under appropriate IAEA safeguards, amongst countries committed to nuclear disarmament and non-proliferation objectives could be enhanced through acceptable forward-looking approaches, consistent with their respective national and international obligations.
25. In conclusion, President Mbeki and Prime Minister Singh reiterated their deep conviction that peace and development are indivisible and that good governance was the best-known way to ensure both. They emphasised that under-development could not be addressed in isolation, but that its eradication was a factor of numerous social and environmental influences, including education, health care, basic infrastructure and amenities, capacity building and skills enhancement, political participation at all levels, advancement of indigenous culture and social organisation and access to natural resources, clean water and air for all. They emphasised further that the right to freedom had an important economic dimension, as it embraced not only political freedom but also the freedom to lead a life with dignity, unfettered by domination and discrimination. They noted that the strategic partnership between South Africa and India was guided by the common vision of a global order marked by peace, security and equity. To tackle these multiple challenges, they reaffirmed their commitment to enhance their co-operation bilaterally as well as multilaterally, to build a better, safer and more prosperous world for present and succeeding generations.

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387. U.S. and India Conclude First Workshop of the Civil Nuclear Working Group aimed at Fostering Cooperation on Peaceful Uses of Nuclear Energy.

Mumbai, January 12, 2006.

The U.S. and India concluded a four-day workshop on civilian nuclear energy, building on the U.S.-India Energy Dialogue initiated by President George W. Bush and Indian Prime Minister Manmohan Singh in September 2004, and launched by Secretary of Energy Samuel Bodman and India Deputy Chairman of Planning Commission Dr. Montek Singh Ahluwalia in May, 2005.

The U.S. was represented at the first workshop of the Civil Nuclear Working Group by R. Shane Johnson, acting director of the U.S. Department of Energy's Office of Nuclear Energy, Science and Technology. India was represented by Dr. R. B. Grover, director of India's Strategic Planning Group of the Department of Atomic Energy.

"These discussions are an important step in establishing a foundation for cooperation on civil use of nuclear energy," Johnson said. "As the populations and economies of India and the United States continue to grow, we look forward to working together to meet our increasing energy needs in safe and environmentally friendly ways."

India hosted the first workshop of the civil nuclear working group, which took place in Mumbai. The workshop afforded the two countries the opportunity to convene experts to initiate discussions and share information on the global demand for nuclear energy today and in the future; on safety, emergency response, security, physical protection, and current practices for safeguarding nuclear facilities; on production and use of medical isotopes; and on research in such areas as fusion energy, high energy physics, and nuclear physics.

The U.S. delegation included senior officials and technical and policy experts from the U.S. Embassy, the Nuclear Regulatory Commission, DOE's National Nuclear Security Administration, DOE's Nuclear Energy and Science Offices and several DOE national laboratories. The workshop concluded with a tour of a commercial nuclear power plant in Tarapur, located in the vicinity of Mumbai.

In his closing remarks, Johnson extended an invitation to the host country members of the civil nuclear working group to participate in a reciprocal meeting to be hosted by the U.S. in 2006.

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388. Joint Press Interaction by Foreign Secretary Shyam Saran and US Under Secretary of State Nicholas Burns.

New Delhi, January 20, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good evening ladies and gentlemen. I welcome you to this joint press interaction by Foreign Secretary Mr. Shyam Saran and US Under Secretary of State Mr. Nicholas Burns. This has to be a quick press interaction. After the two opening remarks have been made, we have time only for a few questions because the Under Secretary of State has to catch a flight and Foreign Secretary has another engagement at five o'clock. I request the Foreign Secretary first to address the press.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Good evening to all of you.

First of all let me take this opportunity of welcoming Under Secretary Nicholas Burns. We have spent the last couple of days in very friendly and very intensive discussions on a whole range of issues.

Let me begin by saying that a part of the discussions, a very important part of the discussions, was focused on the forthcoming landmark visit of President Bush and Mrs. Bush to India, which we expect to take place sometime in the first week of March this year. I conveyed to Under Secretary Burns and his delegation that a very warm welcome awaits President Bush and Mrs. Bush to India.

In our discussions we looked at the itinerary, both the protocol aspects as well as the substantive aspects of the visit; it is really reflective of the very significant transformation that has taken place and is taking place in India-US relations. We had a preliminary and broad discussion on that agenda. Of course, it will be for the advance team that will be coming from Washington and further discussions that we have with our American friends to really get a fix on that itinerary for that very important visit. We

both attach a great deal of importance to this visit. It would be really another defining moment in Indo-US relations.

As you are aware, we have also had another meeting of the Joint Working Group on Civil Nuclear Energy Cooperation. As you know, this Group is headed by Under Secretary Burns on the US side and myself on the Indian side. You would recall that when I had gone to Washington sometime back I had shared with Under Secretary Burns some preliminary ideas about the kind of separation plan of our civil and military facilities that we were contemplating on the Indian side. We also discussed some other components of that proposed agreement to which also we attach a lot of importance. For example, we had a preliminary discussion about the kind of safeguards that we are looking at; we had a discussion about what is the kind of scope of our cooperation. A number of issues were discussed but this was really the first time that we were going into some of the substantive aspects of the proposed agreement.

This current meeting that we had of the Joint Working Group enabled us to carry forward our discussions in much greater detail on all aspects of the proposed agreement. It would be fair to say that I think we have today a much better understanding of the kind of perspectives that the United States has with regard to various aspects of this proposed agreement, and we have a much clearer perspective as well. I think we have come to the conclusion that we need to discuss this in greater detail in the coming days and weeks and this particular dialogue between us will be continued.

In the course of these discussions we have for example, shared with the United States our plans for a very significant expansion of our civilian nuclear energy capability over the next few years and what kind of scope of international cooperation that we envisage for meeting the targets that we have in the civil nuclear energy sector. So, this has been an extremely useful discussion. It would, as I said, be fair to say that we need to have more discussions on this particular subject.

We have also had occasion to exchange views on a number of regional issues. As you know, this aspect of our relationship has really developed in the recent past. We have been exchanging views and trying to coordinate our views on issues like Iran, Nepal and Sri Lanka. A number of these issues were discussed. Although there was not so much time to go over the entire spectrum of regional issues, we had a very useful discussion on some of these items.

Under Secretary Burns will be visiting Pakistan, I believe, as well as Sri Lanka. So, this was a good occasion for us to exchange notes particularly since recently we have had the visit of President Rajapaksa to India and, as you know, a couple of days back I myself had a round of discussions with my Pakistani counterpart. So, this was a very opportune moment for us to exchange notes on our relations with these countries.

So, once again this has been a very productive, very useful exchange of views, as always. It has always been a pleasure to engage Nick in these very very friendly and very productive discussions. I look forward to having an opportunity to resume our dialogue in the none too distant future. Thank you very much indeed.

OFFICIAL SPOKESPERSON: May I now request Under Secretary Burns to address the press please.

US UNDER SECRETARY OF STATE (MR. NICHOLAS BURNS): Thank you very much. Ladies and gentlemen, good afternoon. It is a pleasure to be here. I want to thank Foreign Secretary Shyam Saran for his hospitality to myself and to our delegation. We have had a very good two days of discussions here in Delhi. I was in Mumbai the day before that. I believe that President Bush is going to have a very interesting and very successful visit here when he comes later this year.

We believe that the character and the quality of US-India relations have been transformed by the last several years, particularly through the leadership of the Prime Minister and our President. They have identified a strategic partnership on a global basis between India and the United States that is qualitatively different than any relation that our two countries have had going back to the founding and the independence of India in 1947. So, it is our strong, strong impression that across the board the foundations have been laid for a new relationship both on the bilateral economic, science and technology, agriculture and energy and educational initiatives that the Prime Minister and President laid out in the July 18 statement and, of course, to the cooperation on regional and global foreign policy issues that Foreign Secretary Saran outlined for you. On that score, we do consider India to be global partner.

It is important that we talk about the situation in Sri Lanka. We are concerned about the situation there, concerned about the level of violence, concerned about the breakdown in the ceasefire. In my trip to Colombo a couple of days I will certainly be meeting with the Sri Lankan Government,

meeting with the Norwegian colleagues as well and try to make sure that we are standing on the side of the preservation of the ceasefire and of peace, and of peaceful resolution of disputes there.

In Nepal, the United States is very concerned by the actions of His Majesty the King and arresting and detaining of members of the political establishment in the last couple of days. We have issued a statement frankly very critical of that. We are equally critical, of course, of the Maoists. We believe that they should not be using violence as a political weapon. So what India and the United States can do together is to try to assert a joint appeal for peace and for democratic reconciliation in Nepal, (which) is very important.

We had a very good discussion on Iran. You all know the position of my Government. We believe that Iran is a threat to peace, both in its own region and globally. Iran has overstepped the bounds of international law in seeking to use its facility at Natanz for centrifuge research and enrichment. You have heard what our President and Secretary of State had to say on Iran during the last week. We had a thorough discussion of the situation with Foreign Secretary Saran. We are hopeful that when the President visits, we will see a fruition of many of the joint initiatives that we have undertaken to strengthen the US-India relationship. I have mentioned some of them.

I would say on the question of our future agreement on civil nuclear energy cooperation, we remain hopeful that we will be able to achieve this agreement. It is a very difficult undertaking and it is a unique undertaking. I am not sure any two Governments have actually had a negotiation quite like this because the situation is unique, India's position is unique, and there is a complexity and a difficulty to these talks which is inherent in the subject. And yet we worked very well together for two days here. We listened to each other. I believe the American delegation learned a lot from what we heard from the Indian Government about its own perspective. Both Foreign Secretary Saran and I have committed to each other that we will continue these talks hopefully towards an agreement in the not too distant future.

So, I am very pleased by the visit here. I think we have a great friend in India, we Americans. We are very grateful for the role that India is playing in the world today. We are hopeful that this new relationship is getting around to even greater heights in the future. I myself and my delegation want to thank my good friend Foreign Secretary Shyam Saran for his hospitality and for the welcome that he has shown.

QUESTION (*NEW YORK TIMES*): This is to Secretary Saran. You just heard him say, 'I think we have a great friend in India, we Americans'. Do you think that US Congress might be inclined not to give India the nuclear technology that it wants if India does not also stand with the west on Iran?

FOREIGN SECRETARY: As far as India is concerned, the civil nuclear energy cooperation agreement stands on its own merits. Whatever interaction we have had in the recent past with visiting Congressmen, visiting Senators and the interaction that we have also had ourselves with Congressmen and Senators in Washington leads us to believe that there is a fund of goodwill for India in the US Congress, that there is a very pervasive feeling of friendship and support, a bipartisan support for a much stronger Indo-US relationship. Therefore, we remain hopeful that the civilian nuclear energy cooperation agreement - once it has been negotiated between the two administrations, when it goes to the Congress - will receive a positive response.

QUESTION (NDTV): This is to Under Secretary Burns and Foreign Secretary Saran. You yourself have termed this entire agreement as very difficult and unique. The papers that presented to you by Foreign Secretary Shyam Saran, do you find them credible and defensible? Mr. Saran, do you think that India shares the concerns of US, UK and EU-3 on the Iran issue?

US UNDER SECRETARY OF STATE: Thank you very much. In July, the Prime Minister and the President set out to undertake something new in international politics, that is, the United States made a commitment to India and India made some commitments to the United States that we would try to overcome thirty years of division and disagreement on the civil nuclear issue and the United States will commit to make the argument to the Nuclear Suppliers Group as well as to the United States Congress that both US law and international law and practice should be overturned to permit the international community to engage in trade, in technology transfer, in investment, in India's civil nuclear energy. We think that proposition is an important one and will further the nonproliferation objectives of the international community because the largest democracy in the world, India will no longer be outside the system but will be inside the system. Of course, that has enormous potential benefits for India. The benefits for the United States and the world community are that we will be working with India and engaging India on an equal basis. So, there will be benefits for both sides. It is a very attractive proposition.

What is unique and difficult, of course, is that this kind of thing has not been done before. India is a unique country and its position on this particular issue and this industry is unique obviously. So, President Bush has taken the position that this is in the interest of the United States, it is in the interest of the other countries of the Nuclear Suppliers Group.

We have had very good discussions in many different cities, in New York, in Washington, in Delhi and I think we have met in some European capitals. We have talked a lot on the phone. I think what we have been able to do is establish a framework for how this agreement can work. We have now had a thorough discussion with the competent nuclear authorities of each Government by the way, in Foreign Secretary Saran's delegation and in my own delegation, about the intricacies and the details of this. There is no question that we have made some progress over the last six months but much further progress has to be made, and that there are some difficulties ahead of us. I have spent twenty-five years in diplomacy thinking that with goodwill and with dedication, countries can reach agreements and I have the same feeling about this agreement.

FOREIGN SECRETARY: We remain very supportive of the initiative taken by the EU-3 to engage Iran in finding an amicable solution to some of the issues which have been raised with regard to the Iranian nuclear programme. We have been extremely supportive of that process. It stands to reason that India - which has, with Iran a very long-standing, close and what we call civilizational relationship with its people - would not like to see a situation of confrontation developing in a region that is very close to India. Therefore, our advice has always been that confrontation should be avoided. This is a message that we have given to our friends. This is a message that, by the way, we have also given to our Iranian friends that an effort needs to be made in order to avoid a situation of confrontation from developing. We also believe that in dealing with this issue it is important to develop as broad an international consensus as possible. Much of our effort over the last several weeks has been directed towards developing that international consensus. That is the spirit in which we have also discussed this matter in the last couple of days both with the United States of America, as also representative of the EU-3 who was on a visit to India recently, as well as with Iran.

QUESTION (ASSOCIATED PRESS): Mr. Burns, you mentioned difficulties in working out with the nuclear deal. Can you elaborate what these difficulties are?

US UNDER SECRETARY OF STATE: I wish I could have the luxury of taking you into the inside of these negotiations and telling you all the details. But I am afraid that would violate all rules of diplomacy if I did that. Suffice to say, I talked about the unique nature of these negotiations given the history of the nonproliferation regime, given India's own history in the nuclear sphere. I think that has added to the complexity of the negotiations just by definition. There is no question that we believe, and we have said many times, that for any agreement to be credible with United States Congress and with Nuclear Suppliers Group (it) is going to have to be a detailed agreement, it is going to have to be substantial. Despite the fact that we have been at this for six months I think there is still a further way to go. We, both sides, realize that and we realize that we have our work cut out for us over the next several weeks. But we are dedicated, as a friend of India, to work on a respectful and equal basis with the Indian Government.

We will have to see if we can be successful. I hope we can because it is very important that this agreement be realized. It is an agreement made between the President and the Prime Minister. It would have enormous benefits for India. It would really allow India to engage in international trade, in technology, in research and development with other countries who have scientific institutions in a way that has not been possible for thirty years. It would allow the nonproliferation community internationally, the regime that has been established internationally, to have the benefit of India meeting the same standards and practices in the civil sphere (as) the rest of us have been meeting for a long time. So, we are negotiating on that basis. We have to see what happens in the future. We would be working hard. But there are difficulties ahead.

QUESTION (ASSOCIATED PRESS): A quick follow-up. ... (Inaudible) ... before the President arrives so that the deal can be concluded and presented to the Congress?

US UNDER SECRETARY OF STATE: I do not know for sure. Our goal, of course, would be to have an agreement before President Bush arrives in India. We would hope for that. Of course, nothing is ever certain in these types of negotiations. But ... we have going for us, there is a lot of trust between the Government of United States and the Government of India. We feel that trust. We feel that we are negotiating with a highly professional set of diplomats on the Indian side. We know we have the goodwill of the Indian Government and they have ours. In diplomacy that goes a long way. Both of us want to see the end of these negotiations and want to see it move forward. So, we are proceeding on that basis.

QUESTION (*HINDUSTAN TIMES*): Secretary Burns, this question relates to the Iranian National Security Advisor recently equating the Indian nuclear programme with that of Iran's and saying that this was an example of international double standards on the whole nuclear issue. What do you have to say on that?

US UNDER SECRETARY OF STATE: Well, I saw Dr. Larijani's remarks which asserted this kind of double standards. Frankly I was, I think everyone was, surprised by them. They were outrageous remarks from my perspective because how is it possible to compare India with Iran in the nuclear sphere? On the one hand you have a country, India, that has never been a proliferator, that has been very responsible in safeguarding its nuclear technology; on the other hand you have a Government and a regime in Iran which the IAEA says for eighteen years conducted secret nuclear research without revealing it to the IAEA, a Government that has just last week unilaterally lifted the seals placed by the IAEA on the centrifuge facility at Natanz, lifted it off unilaterally, ... violate its agreement in essence with the European Union by proceeding in nuclear research, a Government that has earned the criticism of Russia, of China, of the European countries, of my own country over the past two weeks.

I was in London earlier this week meeting with the EU-3 Governments, with the Russian and Chinese Governments. While we do not have identical views on this, I cannot speak for those other Governments, I can tell you what united us. Each of the Governments that I mentioned, that met in London this past Monday, just a couple of days ago, believes that Iran has crossed the line it should not have crossed, that it should heed the advice of Dr. El Baradei and the IAEA and return to negotiations, it should suspend its nuclear activities, it should not engage in centrifuge research much less enrichment. My own Government would say it should not engage in uranium conversion at the plant at Esfahan. So, Iran has clearly miscalculated. The United States believes that there should be a vote of the IAEA Board of Governors on February 2, and there should be referral to the Security Council because since Iran has crossed so many international red lines, Iran has to know that there is going to be a penalty to be paid for such actions. That is the American view on Iran. But for Dr. Larijani to assert somehow of some equality between India and Iran by asserting a double standard is quite outrageous and it is quite off the mark.

389. Statement by Official Spokesperson on the remarks made by the U. S Ambassador David Mulford regarding India's vote on the nuclear programme of Iran at the IAEA.

New Delhi, January 26, 2006.

Foreign Secretary called in the US Ambassador this afternoon to convey to him that the remarks¹ made by him in an interview to the PTI were inappropriate and not conducive to building a strong partnership

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1. In an interview American Ambassador Mulford sought to convey to India that if New Delhi did not vote for the resolution "the effect on members of the US Congress with regard to (Indo-US) civil nuclear initiative will be devastating....I think the Congress will simply stop considering the matter. I think the initiative will die in the Congress not because the Administration would want it.....," Mulford said. On the same day in a late evening statement the American Embassy said the Ambassador had been quoted out of context. New Delhi indeed was incensed. The next day Spokesperson for the State Department in Washington referring to the Ambassador's remarks said: "Let me be clear. Ultimately, how India votes on this matter is going to be a decision for the Indian Government. They voted to find Iran in non-compliance that last time around," Spokesperson McCormack said. "But I think what the Ambassador was doing was talking about and reflecting the view on Capitol Hill...there are very strongly held feelings about Iran and the need for the international community to act decisively and firmly and with a single voice concerning Iran's pursuit of a nuclear weapon programme." He went on to say that we continue to encourage the Indian Government to vote for the referral. Ultimately, that is going to be their decision. Asked what would happen to the civilian nuclear accord if India did not vote for referring Iran to the Security Council, McCormack said the Administration would continue to work with the Government of India on the implementation of the agreement with the hope that progress could be made on the issue in time for President George W. Bush's visit to India in March. Before the comments of the Spokesperson came, Indian Ambassador in Washington had made a *démarche* with the State Department. On January 26, Under Secretary of State Burns attending the reception at the Indian Embassy to mark the Republic Day of India, said the United States expected India to vote on Iran based on its self-interest at the February 2 meeting of the IAEA and Washington had "no desire" to interfere in this process. "I think the record is clear that the United States considers India to be a great country and great countries make their own decisions based on their interests. We have the highest respect for that process. We would never want to interfere in it," Burns said. In New Delhi the Prime Minister told journalists on January 29 that the Government would not be pressured into doing anything that hurt the national interest. "We will do what is right for our country. India's national interest is our prime concern. Whether it is domestic or international policy, we will not act under pressure on anything," the Prime Minister said. It is important to note that New Delhi considered the remarks of the American Ambassador serious enough that he was summoned to the Foreign Office on an important national holiday, which marked the Republic Day of India. It may be recalled that a day earlier on January 25 the Official Spokesperson had in response to questions regarding the Ambassador's remarks had said: "...The position India will take on this issue at the IAEA will be based on India's own independent judgement. We categorically reject any attempt to link this to the proposed Indo-US agreement on civil nuclear energy cooperation, which does stands on its own merits."

between our two independent democracies. Foreign Secretary informed the Ambassador that India's vote on any possible resolution on the Iran nuclear issue at the IAEA would be determined by India's own judgement of the merits of the case. Concerning the proposed India-US civil nuclear energy cooperation agreement, the Foreign Secretary reaffirmed India's stand that both countries needed to work in the spirit of the 18 July 2005 Joint Statement and in strict conformity with the reciprocal commitments contained therein. The Ambassador expressed his sincere regrets, saying that his remarks had been taken out of context. It was not at all his intention to question India's right to take decisions on various issues on the basis of its own national interests. The Foreign Secretary and the Ambassador agreed that the two sides would work closely together for a successful visit by President Bush to India.

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390. Press Release of the Ministry of External Affairs on the 4th meeting of Indo-US Global Issues Forum.

New Delhi, February 1, 2006.

The fourth meeting of the Indo-US Global Issues Forum was held in New Delhi on February 1, 2006. The Indian side was led by Foreign Secretary Shyam Saran and the US side by Under Secretary of State for Democracy and Global Affairs Paula Dobriansky.

After the visit of Prime Minister Manmohan Singh to the United States in July 2005, the Global Issues Forum continues to be an important vehicle for dialogue on issues of global interest and for the development of joint projects which have broadened and deepened the US-India partnership. Our cooperation is based on shared values as longstanding democracies and global leaders.

The Global Issues Forum, held prior to President Bush's upcoming visit to India, focused on initiatives and enhanced international cooperation on several key areas including democracy and human rights promotion, health, environment, science and technology, humanitarian assistance and refugees, and combating trafficking in persons.

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391. Second meeting of the Steering Committee of the India-US Energy Dialogue.

New Delhi, February 8, 2006.

The second meeting of the Steering Committee of the India-US Energy Dialogue took place in New Delhi on 8 February 2006. It was chaired by Foreign Secretary and US Under Secretary of Energy David Garman.

Issues considered by the Steering Committee included:

- A workshop on civil nuclear energy cooperation that will take place in the US later this year building on the successful event in Mumbai in January 2006.
- Efforts to ensure a strong US participation at the Natural Gas Conference in India in May 2006.
- Three MoUs to be signed on various aspects of cooperation in the oil and natural gas sector.
- Priority to be given to US collaboration in drilling for gas hydrates.
- Pilot projects to be considered in coal preparation and coal liquefaction.
- A clearing house to be set up for coal bed methane and coal mine methane.
- A major energy efficiency conference involving industry of both countries to take place in India in mid-2006.
- Solar-thermal and wind energy to be priorities in the non-conventional energy sector.

The US side gave a briefing on the recently unveiled Global Nuclear Energy Partnership (GNEP) that focuses on commercial recycling technologies designed to expand nuclear power production while addressing environmental concerns with regard to waste management and minimizing proliferation risks.

392. Briefing points by Official Spokesperson on the discussions between US Under Secretary of State Nicholas Burns and Foreign Secretary Shyam Saran.

New Delhi, February 23, 2006.

- There was an informal exchange of views on the Indo-US Civil Nuclear Energy deal.
- A more detailed discussion is expected to be held tomorrow during the formal meeting of the Working Group.
- The itinerary of the forthcoming visit of President George Bush was also discussed along with possible outcomes of the visit.

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393. Briefing points by Official Spokesperson on talks between Foreign Secretary Shyam Saran and US Under Secretary of State Nicholas Burns.

New Delhi, February 24, 2006.

- The two sides had detailed and productive discussions.
- There was greater clarity on the issues under discussion.
- Progress has been made in the talks.

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394. Interview of Prime Minister Dr. Manmohan Singh on Charlie Rose Show.

February 27, 2006.

CHARLIE ROSE: Mr. Prime Minister, thank you very much for letting us visit you here at the official residence.

MANMOHAN SINGH: It was a great pleasure and great privilege to have you interviewing me at my residence.

CHARLIE ROSE: Thank you very much. Anybody who comes here from America always comes back and says it's really a remarkable experience. The last time I was interviewing you, you quoted Victor Hugo saying, as you had said to the Parliament, "Nothing can stop an idea whose time has come."

MANMOHAN SINGH: Whose time has come.

CHARLIE ROSE: In terms of the United States and India, you think that applies today? An idea whose time has come?

MANMOHAN SINGH: I sincerely believe that. And that's what I—said in my address to the US Congress. I said there are partnerships based on principle. There are partnerships based on pragmatism. And fortunately, when it comes to Indo-American's relations, both kind of situations point to a new robust phase of relationship, a multi-faceted relationship, which I believe is just in the interest of both our countries.

CHARLIE ROSE: Can it be transformational?

MANMOHAN SINGH: It could be transformational, which I hope it will be transformational.

CHARLIE ROSE: Said signaling a new what?

MANMOHAN SINGH: A new India which realizes its destiny in the framework of an open society, in the framework of an open economy, respecting all fundamental human freedoms— great respect for pluralistic, inclusive value system. I think that's what unites India and the United—India and the United States. And I do hope that working together, our two countries can write a new chapter in the history of our relationship.

India has, of course, aspirations of getting out of its poverty,

ignorance, and disease which still afflict millions of people. But I do believe that we have something to offer to the rest of the world, including the United States. Nowhere else you will find a country of India's diversity, of India's complexity, one billion people trying to seek their social and economic salvation in the framework of democracy, in the framework of an open economy. I sincerely believe what happens in India has I think lessons, morals for a future evolution of humankind in the 21st centuries.

CHARLIE ROSE: What are those lessons?

MANMOHAN SINGH: I do believe that the future of civilization belongs to those who (UNINTEL) emphasis on working together instead of talking about clash of civilization. We— what we need is a dialogue among civilizations. And we need multiculturalism, respect for diversity, tolerance, respect for diverse— faiths. And that's what we are doing in our country. And if we succeed, and if we succeed in doing all this in the framework of a democratic policy, I believe large part of humanity will draw appropriate lessons from what is the wave of the future in the 21st century.

CHARLIE ROSE: And you're prepared— in this new strategic partnership with the United States to use that— to help in terms of bridging and creating dialogue with the rest of the world where it might be necessary to have that kind of background involved.

MANMOHAN SINGH: We have— yes. I think— what we are trying to do is, I— I believe, has lessons for what happens to the rest of the developing world. But not only developing world. With the revolution in information technology, with the revo— revolution in transport technologies, I think this geography has lost its old significance. I believe whether it is the United States or Europe, they will all end up as multicultural societies. So India's this great experiment of a billion people of such great diverse persuasion, working together, seeking their salvation in the framework of a democracy. I believe it will have some lessons for all the multicultural societies. And I believe all societies, all thriving societies of the future are going to be multiculturals.

CHARLIE ROSE: So on Wednesday, March 1st, the President of the United States, representing the world's oldest democracy, comes to see you representing the world's largest democracy. How did that happen? Because it is said that the president saw you at the United Nations, one story, and pulled you aside or asked for a moment and said, "I understand your country's demand for oil. I understand China's demand for oil. I

understand our demand for oil. I wanna help you— with the nuclear issue. And let us work on that. And let us try to get past what has been an obstacle.”

MANMOHAN SINGH: Well, I don't recall his telling me at the United Nations. But I do recall his telling me at the very first meeting that I had with him. And we were together also at Glen Eagles— at the G8 Summit. We had extensive— dialogue. We were sitting side by side. And this is exactly how he described the— the global energy scenes, India's requirements. And he said to me, “If the oil prices go up to \$100, that hurts India, but it also hurts the United States. So we must work together to help India to get its— nuclear security by increased emphasis on the availability of nuclear power.”

CHARLIE ROSE: So that puts this nuclear deal at the centerpiece of this new relationship.

MANMOHAN SINGH: In a way, yes. But ours is a multidimensional relationship. But at the present state, energy has emerged as a major constraint on our development. At the present, 70 percent of India's imports of oil and oil products are imported from abroad. There is uncertainty about supply. There is uncertainty about prices. And that hurts India's development. We have large reserves of coals. But extensive use of coal, unless they use clean coal technologies, I think has environmental hazards global— or global warming and all that. But in all this, if we have access to nuclear energy, that is a— a— that— adds to our maneuverability in ensuring energy security as our country marches on, on the path to accelerated development.

CHARLIE ROSE: It'll also mark, too, a new access to technology and to fuel, you know, and future reactors in the civilian sphere. It also seems to give acceptance within the global community to the responsible— your— your sense of responsibility in handling— new— nuclear weaponry.

MANMOHAN SINGH: Well— we have an impeccable record. We have never been the source of unauthorized proliferation of these sensitive technologies, even when the provocations were there. We have a very tight system of export control. In fact, before going to the United States, I got parliament to pass a latest legislation which puts our export controls— on the same footing as most of the developed countries— when it comes to export of sensitive technologies. So I do believe we— we are a nuclear weapons state. But we are a unique in the sense that we still believe that the salvation of the world ultimately lies in moving towards universal nuclear

disarmament. But that's a long distance away. And Indians (UNINTEL) we would like to be a part of the nuclear world orders— accepting all the responsibilities that go with being a nuc— a responsible nuclear power, but at the same time, enlarging— our options with regard to energy security of our country.

CHARLIE ROSE: The president arrives on Wednesday. Will you have an agreement before he arrives, do you think?

MANMOHAN SINGH: Well, I— I sincerely hope— that— that's my hope. That's my prayer.

CHARLIE ROSE: Right now there seems to be a separation in terms of what reactors will be in the civilian field and what will be considered military and this separation. Is that the dividing issue? What goes where?

MANMOHAN SINGH: Well, I wouldn't call it a dividing issue. It is— it is an important issue. I think the United States— I recognize that the United States has to sell this deal to the Congress. But we have also Congress. And I always told— our parliament, as I mentioned to the president, this deal is not about India's strategic program. That is not under discussion. What is discussion is our civilian nuclear program. And there are concerns. And we had agreed that we will have a credible separation between our strategy program and the civilian program. That we are committed to— whatever we have committed in July 18's statement in letter and spirit, we will fulfill our obligations.

CHARLIE ROSE: It's more than 90 percent likely that we'll have an agreement.

MANMOHAN SINGH: I certainly hope that.

CHARLIE ROSE: You think it'll happen before the president arrives or once the president arrives?

MANMOHAN SINGH: Well, I think there's only a few days (LAUGHTER) our officials have with that work. They will— work— 'til I think early morning yesterday. I think (UNINTEL) has gone back. I sincerely hope that we can clinch this issue. And that would be a great contribution of President Bush to ending India's isolation from the world nuclear orders. I mentioned to the president last time I met, "Mr. President, the people of India, particularly the thinking part of our population, our scientists, our technologists, have rightly or wrongly nursed this grievance a— against

the United States. That the United States has joined with other countries to erect a system of controls which denies our country access to dual-use technologies to prevent us from leapfrogging in the race for social and economic development." And I said, "I appeal to you I think to look at India-US nuclear cooperation in that grand setting." I look upon it as an act of historic reconciliation.

CHARLIE ROSE: The president has Congress to deal with.

MANMOHAN SINGH: Well, we have also a parliament. And our parliament is also very sensitive about these issues. I have promised our parliament that I will do nothing which will hurt India's strategic program. And our program is a modest program. Also, although we are not a— (UNINTEL), we abide by most of the guidelines that— operate with regard to export of sensitive technologies. And, therefore, I do believe that India is a unique case. And you need I think exceptional skills I think to incorporate Indian into the world nuclear order.

CHARLIE ROSE: Some say the United States, if you— go ahead with this as you plan to do, the United States, it's hypocritical because of your objection to Iran having a nuclear weapon.

MANMOHAN SINGH: No. I— I— our relations with Iran, we relish a great deal. We have civilizational links. We are in the same region as Iran. And our concern with regard to Iran is that Iran is a signatory to the NPT. Iran must, therefore, have all the rights— which go with its being a member of the NPT. But it— it has also certain obligations, which it has voluntarily taken. And, therefore, it is appropriate that Iran also fulfills those obligations. Now there have been doubts about an arms program. The International— Atomic Energy Agency has gone into this. The Iranians themselves have admitted that certain— elements of their program they had not reported to the International Atomic Energy— Agency. Our hope is that it is not too late in the day to resolve these differences— through dialogue, through diplomacy. And I— I hope that the world community will have the sagacity to give diplomacy, dialogue the full scope to reconcile these so-called irreconcilables.

CHARLIE ROSE: Why do you think the president— or do you believe he views this relationship with you and your country, between the United States and India, as a major foreign policy initiative. Some have even said, as you know, that for this president it's equivalent to President Nixon going to China.

MANMOHAN SINGH: Well— well— well, I have met the president now three or four times. And I have been deeply impressed by his commitment to the cause of democracy. He sincerely believes that democracy is good for everybody, that democracy— is good for world peace, democracies don't go to war. And the fact that India is a functioning democracy despite its extreme poverty, India has stayed the course. It has remained a full-functioning democracy. I suspect that weighs with the president a great.

CHARLIE ROSE: The idea of democracy and being able to have a strategic relationship with the world's largest democracy is important to him.

MANMOHAN SINGH: That's what I feel. I think he— he's always told me, and in his address to the HS Society a few days ago.

CHARLIE ROSE: Few— days ago, yes.

MANMOHAN SINGH: He led, again, I think great emphasis on that— the solid relationship— well, is based on values as well as interest, as the president put it. The values are the values of democracy, the values of pluralism— the value of tolerance of differences. And interests are that of the two countries, if they work together, this is a win-win game. India's growth rate will be accelerated. But in the process, medical would also benefit. Outsourcing information technology revolution, the access to India's— human resources, India's— pool of scientists. It will also help American companies to become leaner, meaner, more efficient. And they become more competitive both in the United States and in dealing with the rest of the world.

CHARLIE ROSE: I wanna talk about all those economic issues. Let me stay with the strategic issue for a second. There are those who say the president would like to have a counterbalance to— to China. That India serves— because of all these interests, economic as well as— cultural and as well as the— sharing democracy, as the best way for the United States to have a counter-availing relationship— for China.

MANMOHAN SINGH: Well, we are not in competition with China. I had a very good discussion with the president— on this subject. And I think there was a complete unanimity of views. Both of our countries believe China is very important. The future growth of China— China's influence is bound to rise. And we all believe that we must remain engaged with China. We have differences with China with regard to the border issue. We are

making a sincere effort to resolve— resolve those differences. And the president told me that's precisely what we should do I think. He says the United States also wants to remain engaged with China. But I also believe that without looking— at each other as rivals or as competitors, in a democratic India operating in the framework of an open economy, an open society, has I think some significance for developed— developing countries not only in Asia but outside Asia.

CHARLIE ROSE: President said he didn't want to— I think his words were, "I don't want to— contain China." But he doesn't think that one country should dominate in the region. Do you share that idea?

MANMOHAN SINGH: I think— it's— looking at history, I think that would be an appropriate model I think.

CHARLIE ROSE: Does— does India— want to help contain China if that's America's policy?

MANMOHAN SINGH: As I said, we are not in— competition with China. We are not part— are not going to be a part of any alliance against China. And I do believe that the present Chinese leadership wants to make a success of its modernization. I don't believe the present leadership of China threatens India or, for that matter, other countries. We would like to have I think warm, friendly relations with China. We would like to resolve our border dispute. Our economic— relations are growing. And both of our countries need peace and cooperation I think to make a success of our ambitious— plans to get rid of our— get rid of poverty that afflicts millions of people in both countries.

CHARLIE ROSE: What do you think China's ambitions are?

MANMOHAN SINGH: Well, as of now, certainly I think modernization of Chinese economy and Chinese society— is a prime concern. But also I think the Chinese do have visions of being a great power. And I think it's legitimate. And— I— I don't see that that's a danger to us.

CHARLIE ROSE: India wants to be a great power.

MANMOHAN SINGH: Yes. As I said, I— when I— when you quoted— me when I quoted Victor Hugo in '91, I said precisely, I said the emergence of India as a major— global power is an idea whose time has come. This is a legitimate ambition for China. This is a legitimate ambition for India. And the challenge for the humanity is to— to evolve a world

system— in which the legitimate ambitions of both our countries can find constructive expression without threatening anybody else.

CHARLIE ROSE: Secretary Rice has said, you know, that what the United States goal is, is to assist in any way it can India becoming a global power in the 21st century.

MANMOHAN SINGH: That's what she came here and last year. And she for the first time— made that formulation. And I rang her up a few days ago and I said to her— “Madam, you were the one who planted this idea that the United States would like to help India to become a major power. Well, this nuclear deal is one what a concrete expression of US interest. So I hope we will have your blessings to conclude this deal before the president comes.”

CHARLIE ROSE: As India becomes a global power with its economy, with its population, with its democracy— with its trade— how can the United States, in a strategic sense, help India?

MANMOHAN SINGH: Well— there are diverse ways— in which right now terror and all that goes with it is a prime concern. It's a concern of the United States. It's the concern of India. Joint strategies, cooperation, joint sharing of intelligence in controlling terrorism, in making the world free from terror. I think that's the fundamental I think consideration if our development aspirations are to be fulfilled. And I think our two countries can cooperate in—

CHARLIE ROSE: In the battle against terrorism.

MANMOHAN SINGH: Yes. Well— in our neighborhood, we have the nascent democracy of Afghanistan. We have been engaged in helping Afghanistan to the best of our ability. We have a development assistance program for Afghanistan of nearly \$650 million. Our program covers all the— basic— human needs— the— and requirements of Afghanistan. So working together in helping nascent democracies in the task of reconstruction, in the task of development is another area where our two countries can work together. And the president himself mentioned our cooperation in making the world— secure— with— against— epidemics like HIV/AIDS, malaria— of tuberculosis. These are our major problems. The United States and India can work together. We can pool our research capabilities— to find vaccines which will provide effective answers to the problems posed by these epidemics.

CHARLIE ROSE: It's already happening in the private sector with Bill Gates coming here and— and being involved.

MANMOHAN SINGH: Yes— Bill Gates is very— I think intimately involved in these programs, and we welcome his involvement. And I mentioned about energy securities.

CHARLIE ROSE: When you think about agriculture— there is this idea that's being promoted, which is a second green revolution.

MANMOHAN SINGH: Yes. I did mention myself in my address to the joint session of the Congress. The first green revolution in our country, which came in the early-'60s, although greatly took the cooperation between Indian authorities, Indian scientists, and the land grant qualities of the United States, the Rockefeller Foundation, the Ford Foundation. I think that's a— a— a growing chapter in the history of cooperation between our two countries.

CHARLIE ROSE: And it can be reignited.

MANMOHAN SINGH: It can be reignited. And that's what the president and I have some very good ideas. We have discussed that, how— the knowledge initiatives to give a big boost to the second green revolution in our country.

CHARLIE ROSE: There is also military cooperation. Some representatives of your military went to see Secretary Rumsfeld. There is an agreement there.

MANMOHAN SINGH: Yes. There is a framework agreement.

CHARLIE ROSE: What are the implications of that?

MANMOHAN SINGH: Well, I think— we would like to diversify sources of our purchases of weapons. Also, we would like to have a cooperative arrangements where some of these things, joint research, joint— joint production. And also I think the— the cooperation between the military of two— two— countries, we have already I think in place arrangements where the air forces— of the two countries have joint exercises.. So I would like I think to expand— the relationship with the United States in all these diverse fields.

CHARLIE ROSE: Is in any way it difficult to be a friend of the United States in 2006?

MANMOHAN SINGH: Well, let me say that— events in Iraq, events in Iran I think do— create some anxieties, particularly among the Muslim— population of our country. And I sincerely hope that the difficulties that are there in Iraq and Iran can be resolved, that Iraq will see a new era of hope in which its people will enjoy a full sovereignty. And also the problems that there is with Iran— can be resolved through dialogue— through giving diplomacy a chance. Otherwise, I don't see I think there are any problems between India and the elected states.

CHARLIE ROSE: No significant foreign policy differences other than—

MANMOHAN SINGH: No— no—

CHARLIE ROSE: —Iraq, and you're prepared to help there in terms of—

MANMOHAN SINGH: Well, in terms of reconstruction, we have offered, for example, to train their police, to train their civil service, train their election officials. And just as what we are doing in Afghanistan.

CHARLIE ROSE: The UN membership— permanent membership on the UN Security Council. France was here, said, "We're in favor of you."

MANMOHAN SINGH: I would very much like the United States I think to— (LAUGHTER) when the president comes here—

CHARLIE ROSE: You'll remind him.

MANMOHAN SINGH: —I think that he would announce that the United States is also of the same view. But I recognize the United States as a superpower. It has various interests. It's balanced various things. But I do believe that India's case for permanent membership of the Security Council is very strong.

CHARLIE ROSE: But you'll remind the president when he comes.

MANMOHAN SINGH: Well— this matter was raised with— with Secretary Rice when she came here. And I— if I get a chance, I will raise that again with the—

CHARLIE ROSE: So if this nuclear— if this nuclear agreement can't be reached, your national security advisor says that the relationship will go into the stratosphere, is the way he described it. I— I just wanna make

sure I understand your vision of the stratosphere in terms of how the United States and India can cooperate. Certainly in terms of— using— India and the Middle East as you suggestion, as a sense of a voice for where there is a secular— society of diverse religious and ethnic backgrounds. How else would this be manifest? This strategic relationship that's possible with the United States?

MANMOHAN SINGH: Well, in areas of cooperation, giant working, giant thinking, and that— cooperation for us, is regional for us, bilateral for us, I think there are— enormous— enormous possibilities. And today there are no, I think, barriers to— increased cooperation between India and the United States in any field. But as I said, what— what goes on in Iraq, what goes on in Iran, it does— (UNINTEL) significant proportion of our population.

CHARLIE ROSE: Do they believe it's somehow moving away from— India's position of a non-aligned nation or have you long ago moved away from that idea?

MANMOHAN SINGH: I have always regarded non alignment as— a statement that India's policies— foreign policy, will be guided by what I describe as enlightened national interest. That means we will make judgments— on an independent basis with the sole concern being what is enlightened India's national interest. In that sense, non alignment remains as relevant today as it was in the 1950s.

CHARLIE ROSE: Who opposes— in your political community— this coming of the United States and India closer together.

MANMOHAN SINGH: Well, my opinion is that— it has— it's— wide support (UNINTEL), in fact the major of our population— wants— closer— involvement between India and the United States. There was a research— I think— team which conducted a survey about what Indians think of Americans. And 71 percent I believe said, "Well, I think all the nice things about our working together with the United St"— with the Iraq people I think that there are old mindsets— who— still— I (UNINTEL) remain my heart in the Cold War ideology. There are— I think— the left parties of our coalition, they— still regard the United States as a hegemonic power. But— I think the— the new Indians of tomorrow, our young people, our businessmen, our scientists, our technologists, I think they are not— I think— held back— by these— cold time think (PH).

CHARLIE ROSE: I've been visiting this week in India. And they all tell

me that with respect to China, there's an increasing economic relationship in respect to China. And that that is good, that China sees India as a market, that China has a manufacturing base, India has a service base. They have all kinds of trade developing between India and China.

MANMOHAN SINGH: I agree with that, I agree with that.

CHARLIE ROSE: And where does that go, and what's the benefit of that?

MANMOHAN SINGH: Well, I think our two countries— if our trade grows, I hope that out of that will come a new attitude of coexistence. We had this unfortunate— incidents of 1962.

CHARLIE ROSE: The border.

MANMOHAN SINGH: Of the border. If we resolve that, the image to cooperation between India and China would not— between there, I think. We are both countries located in Asia, and the Chinese economy grow at the rate of nine percent, the Indian economy growing at the rate of eight percent. Enormous, I think, opportunities for flow of trade, technology, an investment.

CHARLIE ROSE: Is the— the United States relationship with Pakistan— an issue for you?

MANMOHAN SINGH: No. We want Pakistan to prosper. Pakistan should be a model Islamic moderate state. It should be a prosperous country. It is in India's interest, it is in the world's interest. I sincerely hope that whatever influence that the United States has in Pakistan, it will convince Pakistan that— using television as an instrument of state policy has no place in the world. That we want to build. If Pakistan— honors an electorate and the commitment in 2004, the Pakistan territory will not be used— for— promoting terrorist acts against— India. The sky is the limit of cooperation between our two countries. This basically— we are— the same people. There are ties of religion, there are ties of language, there are ties of culture.

CHARLIE ROSE: You were in fact born in— (UNINTEL) in Pakistan.

MANMOHAN SINGH: Yes. President Musharraf was born here, I was born on the other side of the border. And— my vision is— to wait for the relationship between India and Pakistan, it will be like the relations

between Canada and the United States. We want Pakistan to— flourish as a modern Islamic state. That is in India's interest, that is in the interests of the world as a whole.

CHARLIE ROSE: You mentioned your economy, you mentioned China's economy. You've been growing at a rate of seven percent. You are the former finance minister and people give you a lot of credit for what has taken place. They also raise this question. Is it sustainable?

MANMOHAN SINGH: Well, I think the— proof of the pudding is in the (UNINTEL).

CHARLIE ROSE: You're using an American expression.

MANMOHAN SINGH: So the last 16— 15 years now— when we opened up the economy, I think the economy has sustained a growth rate of six percent. We are (UNINTEL) the profits of (UNINTEL). The last— four— three, four years of our economy now is increasing at the rate of seven— percentage. And I do believe that— our growth rate in years to come will go up. We have now a record savings rate of 29 percent of our GDP, it has gone up by five to six percent in the last five, six year. We have a record investment flow rate of 31 percent of our GDP. In years to come, savings rate will go up. Because we have— a— a very young— working population profile. In years to come, if we can find jobs for all these, I think they would need to— they would— be a source of increased income, they would be a source of increased savings. I see India inching in the next five or six years, to a growth rate of close to ten percent.

CHARLIE ROSE: In the next two or three years.

MANMOHAN SINGH: Next— ten years. I— not two years.

CHARLIE ROSE: What has to take place in terms of liberalization— and— privatization for that to occur?

MANMOHAN SINGH: Well, I think— liberalization, by and large, we are— we are there. Our principle right now is the infrastructure. India's infrastructure has to be modernized, has to be expanded at the rate which will— I think— with consist— which will be consistent with the growth requirements. We— we need to modernize our (UNINTEL) system, we need to modernize our road system, post system, airport system. We need— to move towards a (UNINTEL) which will ensure energy and security. And then we will have to— relook at the way our government

systems function. I think our government has gone out of business. Many—many things we've got out. But still I think, there is an old—old— (UNINTEL) hand. The government considers itself as— what we call, as the MadaPedha, the father and mother.

CHARLIE ROSE: Yeah.

MANMOHAN SINGH: I would like government to have greater concern as a facilitator rather than as a regulator. There, I think, we have some distance to go. We have also problems in modernizing our political system. There are several states in our union where— I think— the politicians are not preoccupied with the great dynamics as I believe they should be. They're still mired (PH) in the old— the— religious controversies, the past controversies. So India's political system also would need to be modernized.

CHARLIE ROSE: Do you have the political will to make sure that happens?

MANMOHAN SINGH: Well, I think it is happening. There, I think— it— could have happened at a much faster pace. But I sincerely believe that this— is— now an inescapable— inevitable part. Things are moving in that direction.

CHARLIE ROSE: For example, I mean I've had conversations with business leaders about— you know— the retail segment. And some have said that's gonna be a kind of ticking point. I mean if there's modernization in the retail area that would be clear evidence.

MANMOHAN SINGH: Well, we have, I think, taken the first steps. We— we— this— this year's— we have opened up to trade with regard to majority ownership of foreign— companies. Single (UNINTEL) area have been opened up. There are— in all these matters, there are concerns. There's such a thing as the fear of the unknown. And— in a country where— employment opportunities are not growing fast enough, the fear of change tends to be very acute. I have to create in our country, a macroeconomic environment where the employment in aggregate can go up— at— a handsome rate. Once that happens, people lose their job in one sector (UNINTEL) not mean that they become perpetually unemployed. From one sector, they could move on to other sectors. I have, therefore, to wait until that time when the employment situation in our country is such that jobs are increasing. In such numbers— that we can take risks with regard to

retail. I don't think we could do it overnight. But I do recognize that I (UNINTEL) all sectors should be open to foreign direct investment.

CHARLIE ROSE: There's a dramatic difference between foreign investment into China and into India. And— and people say that they're deducing the— regulations will dramatically change that.

MANMOHAN SINGH: Well China is not— or— I think— a country— which— does not regulate. But there is a difference between the Chinese system and our system. The Chinese are much more as— I think— centralized. We have— three tiers of government. We have the central government, we have the state government, we have the local authorities. The central government gives approvals for certain investment. But there are certain things that the central government cannot do. If they want to get land, if they want to get water, if they want to get electricity they have to go to the state government. If certain facilities, local facilities, have to be— (UNINTEL), the— local authorities have to come. And that makes the Indian system slow moving— Indian administrative system slow moving. I do believe that we have a problem here and we must find ways and means in which I think businessmen who want to set up enterprises here can get all clearances in without too much loss of time running from one person, one sector, to another. One authority to another. That— I think we have made substantial progress in the last 15 years but we need to (UNINTEL) up—

CHARLIE ROSE: There is no turning back.

MANMOHAN SINGH: There is no turning back.

CHARLIE ROSE: From liberalization—

MANMOHAN SINGH: No—

CHARLIE ROSE: From foreign—

MANMOHAN SINGH: No.

CHARLIE ROSE: From change.

MANMOHAN SINGH: Really, I think— I— I just— said— the proof of the pudding is in the eating. When we launched this sort of farm program in '91, I was opposed by both the extreme left as well as the extreme right. In fact, when I— in '92 when I lived— when I raised in Parliament to present the budget of the government of India. All the opposition (UNINTEL) wait and said the want to wave breach of privileged motion because what I'm

doing is nothing else but carrying out the dictate of Washington and the IMF. Now from that day, lots of things have changed. Since then, there have been three changes of government. From 6/96 to 1998, there was a united front government. The left party was— part of that. That government did not change the direction of policies that we set. Then we had a coalition government from '98— they— wrote viciously against liberalization, that we were selling India to foreigners. But when they came to office, they also did not change. In fact, they— they expanded what we had done. So I think we have seen three changes of government— right, left, center, but direction of economic policies has been toward progressive liberalization. That made no difference of the pace at which India moves. But it should be made out what's ever about the direction in which India is going to move in years to come. The— it is truly an area of civil shift in our policies.

CHARLIE ROSE: And it has led you to— you know— a global position that— that everybody talks about.

MANMOHAN SINGH: Well— in '92, even big business was against liberalization. I— the CII, for example, big captain of industrial against liberalization. The Indian industry had been thrown to dogs. (UNINTEL) becomes here's the woods and (UNINTEL) water, that the Americans would come and take over our country. We will all— we will all end up saluting them. Now— Indian industry is much more confident. Not only it welcomes competition here, it wants to go and compete abroad, I think. Mr. Mittal has become the world's steel czar, I think.

CHARLIE ROSE: He— he certainly has. Now what did you want to be— you said in this respect to Mr. Mettal, I think you said to Chirac, "Be kind to him."

MANMOHAN SINGH: I said, well, this is an issue which should not be— I think— allowed to be influenced by too much— sentiment. But all stakeholders much have an assurance that their interests, respective interests, will be taken care.

CHARLIE ROSE: Why do you think the French were opposed to this merger?

MANMOHAN SINGH: Well, in our countries, I think there is such a thing of the fear of the unknown, loss of jobs.

CHARLIE ROSE: Yeah.

MANMOHAN SINGH: I don't— blame governments if they get worried about these things.

CHARLIE ROSE: Yeah. With— with— tell me why you were so wise about this economic picture for India? I mean we did you know that— that even industry didn't know and that so many politicians didn't know when you took over as finance minister in '91?

MANMOHAN SINGH: Well, I don't— claim that I had— any— extraordinary vision. But I had been associated—

CHARLIE ROSE: But you've been right—

MANMOHAN SINGH: But I have been associated with the management of the Indian economy. Ever since 1971. Even my work as an economist— when I was in the academic field, was also about economic management of. And— I've seen— administration in our countries from several angles. I saw in the ministry of commerce, I saw it in the ministry of finance. I went to Reserve bank of India. I was on the planning commission. There's a whole—service I got. And I would like to give credit to Rajiv Gandhi. Because he saw when he became the Prime Minister in 1985 that India has to change. So a lot of work was done. There was a broad consensus among the thinking segment of our population that India has to liberalize. That the old command economy cannot I think— give India the mileage, the dividends that we need in terms of growth. And so my task in '91 was relatively easy.

CHARLIE ROSE: But when you took over the Indian economy was in terrible shape.

MANMOHAN SINGH: Well, the— in— inside I find democracies sometimes a crisis is a blessing. That it concentrates the mind.

CHARLIE ROSE: Like the hang man's noose.

MANMOHAN SINGH: And there were Americans saying don't fix it.

CHARLIE ROSE: If it ain't broke don't fix it.

MANMOHAN SINGH: If it ain't broke— so if things are moving alright I think— you do not get the momentum to get a cohesive consensus built in favor of change. In '91 I said to my colleagues and I said to the leaders

of the opposition that if you don't cooperate with me I will have to declare India bankrupt and hand over the economy to the IMF and international—

CHARLIE ROSE: That got their attention didn't it. (LAUGHS) Based on that your— let me put— think about the year 2050. Tell me what will be the— not in terms of— of—

MANMOHAN SINGH: Twenty?

CHARLIE ROSE: 2050, two thousand— two thousand fifty, 44 years from now. Tell me what will be the first and the second and the third largest economy in the world.

MANMOHAN SINGH: Well, I— I really don't know. I— I can't I think predict because of human evolution or economic evolution. But I do believe whatever order you have India would figure in the first four or five countries.

CHARLIE ROSE: Most people think three. Goldman Sachs has his famous report—

MANMOHAN SINGH: Yes.

CHARLIE ROSE: —as you know, that says three by maybe 2025.

MANMOHAN SINGH: Well, I hope they're right. But I— I— as I said I— I'm not very good at making these projections. But I do know the processes that we have unleashed in our country we I think insure that India is there in the first four or five.

CHARLIE ROSE: And what about, as many people say, how are you gonna take care of the poor? How are you gonna make sure that the agricultural population finds a way to live?

MANMOHAN SINGH: Well, let me say— I've always believed that the ultimate purpose of economic policies and development policy is to meet the basic needs of our people. And for that we needed fast expanding economy. Meaningful solutions to the problems of mass poverty that prevails in our country I believe can really be found in the framework of an expanding economy. If the economy is not expanding redistribution of income becomes a zero sum gain. And therefore all the class struggle and it becomes much more vicious. If the economy is growing fast there is scope for redistributing incomes from the rich to the poor to place— to put in place social safety net. For example we have done that this year. We have said that in rural areas there will be guaranteed employment 400 days in public works for whosoever

wants to come make minimum wages. Now this is not a very revolutionary program but it will put a flow on income in rural areas. It is a program of the type which has probably few other counterparts in the rest of the world. So out emphasis is if the economy grows enough, fast enough, the tax system should be modernized so that the tax revenues rise fast enough also. And we should put more money in education. We should put more money in health. We should put more money in devising credible social safety nets for the poor.

CHARLIE ROSE: What is it about the Indian people that have enabled with these change in policies to have come to this moment?

MANMOHAN SINGH: Well, I've always believed India is a country blessed by— of— blessed by God with enormous entrepreneurial skills. Now this entre— entrepreneurial spirits were kept suppressed by the command and control system. That started off well with good intentions, maybe it served us well in the beginning. But after time it became a factor on further progress. I believe if we remove these factors the— the flowering of the entrepreneurial spirit of India would I think bring about a dramatic change in the way our economy works and function. And that is happening. In '91 where was the IT industry? I think Mr. Naryanamurthy, Mr. Premji they were all I think insignificant entities.

CHARLIE ROSE: Now they're giant global concerns.

MANMOHAN SINGH: With one single thing I— I think Naryanamurthy is (UNINTEL) about. When I became Finance Minister in '91 I discovered that the wealth tax rates, the taxation of wealth, there was taxation on wealth. It was so atrocious and so high that actually nobody could accumulate money in an honest way. I removed that tax. And the result was that Indian companies for the first time acquired an incentive to grow big, to grow rich. And you see the results of that in Bangalore, you see it happening elsewhere. So I am convinced the entrepreneurial spirit of the Indian people if allowed to express themselves freely in the market place India will be alright.

CHARLIE ROSE: What is the impact of your demographics? You're very different say from China.

MANMOHAN SINGH: Well, I think our demographics is going to help us the grow at a faster pace. Because the Chinese insistence on one

child norms I think the proportion of older non working age population is going to rise sharply in China. Our age profile is much younger. The proportion of working population to total population will rise for another decade. And if we can find jobs for this population that is going to be a source of wealth creation. And they are saying that it will go up. India's investment rate will go up. And I believe that's a plus point.

CHARLIE ROSE: India and the United States seem to have beyond the oldest democracy and the largest democracy this special relationship period. You have a daughter that lives in New York. Your National Security Advisor has a son who lives and works in New York. Your Finance Minister went to Harvard Business School. There has been this tradition, there's a large Indian population in New York. Is that gonna continue? Is that a central part of this relationship?

MANMOHAN SINGH: Well, let me— so in the evolving global economy the transport revolution, the IT revolution.

CHARLIE ROSE: The death of distance.

MANMOHAN SINGH: The death of distance. There is hardly any middle class family in India who doesn't have a son, a daughter, a son-in-law, a brother, a brother-in-law in the United States. That is a very powerful new bond. And what is more is that— I should like to express our profound gratitude to the— Americans of Indian origin. The way they have conducted themselves, the way they have worked hard to carve out a niche for themselves in the Silicone Valley, I think this has also given American a new idea about what India is capable of. Our challenge is as I often say is to do what the Indian Americans have done in the Silicone Valley without going there. That we can reproduce a system here.

CHARLIE ROSE: When you look at India today it's moment, tell me what you think it's destiny is.

MANMOHAN SINGH: Well, India's destiny is what I described in '91 quoting Victor Hugo. The emergence of India as a major global power is an idea whose time has come. And I would only modify it by what Nehru said. He said the sudden rise of India means the service of those steaming millions steeped in poverty, ignorance and disease. To see that in my lifetime we can soften these harsh edges of extreme poverty and unleash a new economic and social revolution which will bring out the latent creativity and entrepreneurial spirit of our people I think that's what I feel I think.

CHARLIE ROSE: And if that's the destiny of India how do you— what do you think your legacy is?

MANMOHAN SINGH: Well, I'm a small person put in this big chairs. What— I have to do my duty, whatever task is allotted to me. I— I think— well, for me it's enough I think since '91 I have been in part of the process of— actually in the reform movement. Of course no single person can take credit for that. I mentioned the role— the role of Rajiv Gandhi. But I think whatever I've done I hope I earned a footnote in India's long history.

CHARLIE ROSE: And you certainly have, and it will be even more likely if the President comes on Wednesday and says we have a nuclear agreement, and I'm full supportive of India's desire to be— have a permanent seat on the UN Security Council. That would be a great gift.

MANMOHAN SINGH: Well, it will be a great gift. And I pray for that moment in which I think we can acclaim to the world that we are now in a different new era of Indo American relationship of trust, of working together, partnership. Strengthened both by our commitment to common values and also the identity of interests.

CHARLIE ROSE: Mr. Prime Minister, thank you for taking this time. It's been a pleasure—

MANMOHAN SINGH: Thank you Mr. Rose.

CHARLIE ROSE: —to be in your company. And a pleasure to see you. And I look forward to many, many visits back.

MANMOHAN SINGH: Well, please do. And it has been a great pleasure for me talking to you.

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395. Briefing by Foreign Secretary Shyam Saran on the visit of President Bush.

New Delhi, February 28, 2006.

FOREIGN SECRETARY (SHRI SHYAM SARAN): Thank you very much for coming this afternoon on what I know is an extremely busy day for all of you and a very special day. But I thought before the President of United States comes to visit India perhaps it might be worthwhile for me to share with you what we have in store for the visit.

This is the first (visit) of President Bush to India. This is only the fifth visit by a US President to India. There is a great deal of anticipation regarding this visit. Of course, a very warm welcome awaits President Bush and for good reason because here is a President who has been personally very supportive in advancing India-US ties and particularly giving a certain strategic dimension to India-US relations.

President Bush will be accompanied by Mrs. Laura Bush. Secretary of State Condoleezza Rice will also be a member of the delegation, (as also) Chief of Staff Andrew Card, National Security Advisor Steve Hadley, and the US Trade Representative Rob Portman. What we have on the agenda are delegation-level talks with the Prime Minister. The Prime Minister will be hosting a luncheon in honour of both President and Mrs. Bush. There will also be a banquet by the President, the traditional banquet, at the Rashtrapati Bhawan. There will be, of course, meetings with the Chairman of the UPA, Shrimati Sonia Gandhi and also with the Leader of the Opposition Mr. L.K. Advani.

President Bush and Prime Minister will also be receiving the much-awaited report from the Indian and American CEOs. If you recall, when Prime Minister had visited Washington last year in July, the two leaders had set up a CEOs forum with ten of the top industry and business leaders on the US side and ten similar top leaders of Indian business and industry on our side. This Forum has been meeting and also they have been working on a common report to the two leaders on how the economic and trade relationship between India and the US could be taken forward, in particular focusing attention on the investment aspect, particularly for example the areas of interest to us like investment in infrastructure and certainly in high technology areas. So, there will be a presentation of this report to the two leaders.

Prior to that there will be also separately a meeting between the National Economic Advisor to the US President, Allan Hubbard and Dr. Montek Singh Ahluwalia who is the Deputy-Chairman of our Planning Commission and also the US Trade Representative. The Trade Representative, of course, will be having also a separate meeting with the Minister for Commerce and Industry. So, this will provide during the visit an occasion for the economic dialogue, the India-US Economic Dialogue, to also have a meeting and also the US Trade Representative and our Minister for Commerce and Industry to have a meeting in a sense to add to the CEOs Forum report, in terms of our economic trade and investment objectives. So, there will be a very strong economic and trade content to this visit.

In the itinerary that the President has there will be a visit to Hyderabad. It will be a brief visit but it will be a visit which will have both substantive as well as some symbolic significance. The visit to Hyderabad will include a visit to the N.G. Ranga Agricultural University. As you know, we have been working with the United States on a very ambitious Knowledge Initiative on Agriculture whose objective is nothing short of kicking off a second Green Revolution in India, a phase of modernization, a phase of upgradation, a phase of commercialization of Indian agriculture.

Here in Hyderabad there will be an occasion to the President to look at what India has achieved in the field of agriculture in the past several years. It has been a very impressive story of success, a success which we can now build upon to bring about a second Green Revolution in the country. I think he would have a chance also to interact with Indian farmers. There will also be an occasion to interact with some of the self-help groups, especially of women who have been involved in many self-help activities, at the N.G. Ranga University. So, that is one part of the Hyderabad agenda.

Then there will be an occasion for the President to interact with young entrepreneurs at the Indian School of Business in Hyderabad. As you know, Hyderabad has now been developing into a multi-industry kind of center of excellence of high technology. This would be an occasion for the President to interact with some of the industry leaders in this metropolis.

When the President comes back from Hyderabad to Delhi, he will be addressing a representative gathering at Purana Quila at a function which is being hosted by the Indian apex organizations, business organizations. Essentially what the President is looking at is an address

which will be his sort of main message to the people of India from the United States. So, this is in nutshell what the content of the visit would be.

As you know, this visit comes after the landmark visit of Prime Minister Dr. Manmohan Singh to Washington last year in July. You are aware of the July 18 Joint Statement which was a very substantive agenda for India-US relations. Some aspects of that agenda have already been implemented and some are still a work in progress. Essentially the vision that was put forward for India-US relations was one of strategic partnership based on a convergence of interests in several areas as also shared values of democracy, recognition that our two countries' need to work together to jointly address some very important global issues which are of mutual concern. These, of course, include certain strategic and security issues but they also include areas like energy, agriculture, science and technology, environment, health, counter terrorism, trade and commerce, space-related activities as well as high technology. So, a very extensive and a rather substantial agenda had been put forward for India-US relations.

During President Bush's visit to India there will be occasion to review how far we have gone in terms of fulfilling some of the elements of the agenda. As I said, we have actually made progress in several areas. Since July 18, 2005 the two countries have been engaged in a rather intensive dialogue across the board to give substance to, and to give content to some of the ideas which were expressed in the Joint Statement. Civil Nuclear Energy is, of course, the area which has occupied a great deal of attention of our media as well as the US media. I can only report that we have managed to make considerable progress. We still have some distance to go. This is a complicated issue; a complex issue. Our effort has been not to leave unfinished business which could create difficulties for us later on. So we need a certain degree of clarity on our mutual commitments. We need to make sure that there are no ambiguities which may create difficulties for us in the future. So, as I said, we still have a short distance to cover. If necessary we will continue the negotiations beyond the forthcoming visit.

We also had the mandate given to the CEOs forum that they should produce a document with very concrete recommendations, I understand that this report does have those concrete recommendations, which would be very useful to both our Governments in terms of our economic relationship. On the broader issue of economic cooperation, again there has been a great deal of work. Working Groups on some of the specific areas of cooperation have met. There has been video conferencing between

the concerned departments in India and the United States. I am very happy to report that we can expect some important announcements as far as the energy initiative is concerned.

You would recall that in the Indo-US Energy Dialogue there is a Steering Committee which is headed by David Garman, Under Secretary in the Energy Department in the US by the Foreign Secretary in India and we have met twice. We met in December 2005 in Washington and then recently David Garman was here in New Delhi in February and we went over a number of areas where India and US could cooperate. For example, in working together on zero emission, coal-based thermal power plants. That is an area of great interest to us. We have talked how we could cooperate together in certain non-conventional energy sources. We have already been having in the past some cooperation between the two countries and things like bio fuels. We have been talking about the hydrogen fuel economy. These are areas which are of great promise for the future.

You would recall in this connection that the Joint Statement had also spoken about India's participation in the International Thermo-Nuclear Experimental Research project. We are very happy to that that has become a reality. India is now a full participant in the ITER project. On the energy side we have in fact a very broad menu. There will be some important announcements, as I mentioned to you.

In terms of the agriculture knowledge initiative, again there has been a lot of interaction between the Indian side and the American side. Here also we have a very substantial menu relating to virtually every important aspect of agriculture, things like water management, introduction of new technologies into agriculture, very important area of post harvest management, and also of agricultural processing. Agricultural processing is a particularly important area for India because there is considerable amount of wastage. This is one area which cannot only bring great value addition to agriculture but also has great potential for employment creation. So, we are really looking at cooperation in areas which would have a very direct impact on a sector of India's economy which still gives occupation to a very large part of our population. This is one of the areas which will be a key area for cooperation, long-term cooperation, between the two countries.

Then we have the high technology. The High Technology Cooperation Group met in November-December 2005. We have action plans on nano-technology, biotechnology, defence technology, as well as on IT. These work plans which have been developed will be implemented

during the year. As a result of our efforts, licensing for high technology products has become much more liberal as well as predictable. A fairly important segment of the American high technology exports to India have been now freed from licensing requirements. Approval rates have climbed from about 80 per cent in the past to more than 90 per cent now. The licence processing time has also significantly dropped from about 44-45 days which used to be the average before to about 34 days now. So, there is a trend towards a more liberal high technology trade.

Here also we expect that there would be announcement for further liberalization of high technology licences during the visit. Science and Technology agreement was signed, as you know, between our Minister of State for Science and Technology, the Secretary of State of the US in September 2005, this was a direct follow-up to the visit of Dr. Manmohan Singh to Washington. Both sides have regarded science and technology as really a critical area for cooperation between us. We are looking at broadening the framework of science and technology cooperation between the two sides, and provide greater and more predictable funding so that the two sides can undertake joint projects on a much more predictable and a longer-term basis. This is something which is also ready for announcement during the visit.

On space, we have significant progress. There has been cooperation on space launch, the inclusion of US payloads on India's Chandrayan mission, the Moon Mission. These have been talked about in great detail and I think we are very near to making announcements in the space area.

Amongst other areas we have global issues such as clean development partnership. We have cooperation on pandemics like HIV-AIDS and Avian Flu. Avian Flu is something which is a very current challenge and we are certainly looking forward to working together with the US on this very important area as well as how do we build upon our previous experience in dealing with natural disasters and build up a framework of cooperation for responding to natural disasters. This is something which would also figure in the list of outcomes for the visit.

As you can see, there is a very substantial agenda for the visit. A very natural sort of taking forward of the initiatives which once announced in July last year and also building upon that base looking at a much broader relationship in virtually all the important areas which were identified then, as I said, a very significant dimension being the economic, trade and investment relationship.

We have no doubt that this would be a very successful visit and a visit which will really mark a further maturation and a further development of our strategic partnership with the US.

Thank you very much. I would be ready to take your questions.

QUESTION: Sir, last week in an interview with Indian journalists in Washington, President Bush said in response to a question on Kashmir dispute that it should be settled between India, Pakistan and “citizens of Kashmir”. Do you have any comment on that?

FOREIGN SECRETARY: Our position is very clear. The issue of Jammu and Kashmir, insofar as it relates to the relationship between the State of Jammu and Kashmir, which is an integral part of India, and the Government of India, that is being is already addressed in the dialogue that is taking place. The Prime Minister recently had a roundtable on Jammu and Kashmir. As far as the issue between India and Pakistan is concerned, that issue too is being addressed. We have a Composite Dialogue taking place in which the issue of Jammu and Kashmir is being addressed. So, if this matter is raised in the talks between our Prime Minister and President Bush, this is the position which will be explained to him.

QUESTION: He has called them citizens of Kashmir.

FOREIGN SECRETARY: Citizens of Kashmir are citizens of India.

QUESTION: It is quite apparent that US is very keen on India dropping out of the proposed India-Iran gas pipeline project. You have said that we should expect some very important announcements during the visit. Should we expect some announcement which is going to balance the loss of energy that we are going to have in case India drops out of India-Iran gas pipeline project?

FOREIGN SECRETARY: India has no intention of dropping out of the Iran-Pakistan-India gas pipeline project.

QUESTION: A question on the nuke deal. The Prime Minister told Parliament yesterday that the fast breeder reactors will not be a part of separation plan. But he did not actually indicate whether the Americans have accepted this. Have they accepted our position or does it continue to be a stumbling block?

FOREIGN SECRETARY: As I said, we have not concluded the negotiations yet with the United States of America. We still have some

distance to go. So, what the Prime Minister spelt out in his statement was the Indian position.

QUESTION: Has there been any kind of response to the Prime Minister's statement yesterday from Washington?

FOREIGN SECRETARY: The response has been that we need to continue to negotiate and we need to tie up various loose ends before we can announce that we have a deal. As I mentioned to you, while we have come fairly close but we still are not there yet.

QUESTION: Of late there have been three case of visa denial to Indian scientists. I was just wondering that has the Ministry of External Affairs taken up the issue of the kind of treatment that has been meted out to an Indian scientist by the US Consulate in Chennai?

FOREIGN SECRETARY: The American Ambassador has spoken to, I think, at least one of the scientists and, if I am not mistaken, has also approved the visa to him. We have, as a matter of course, taken up with the United States of America the need to have a very liberal and creditable visa policy with regard to exchange of scientists between the two countries because without such a visa regime it is difficult to see how we can promote our scientific and technical exchanges.

QUESTION: Before coming to India Mr. Nicholas Burns last week said that 90 per cent of the deal has been concluded. How do you describe it now - Ninety-five per cent, ninety-six per cent?

FOREIGN SECRETARY: I do not like to get into the percentages or a numbers game. The fact is that until we have all the loose ends tied up, unless we have a deal, we do not have a deal.

QUESTION: The American Ambassador yesterday again expressed confidence that we will be able to clinch this deal before Bush comes to India. Similar, is a message from Washington also. What are the sticking points twenty-four hours before he comes here, and forty-eight hour before the two leaders talk?

FOREIGN SECRETARY: Let me begin by saying that there is a very keen interest not only on the part of India but also a very keen interest on the part of the United States of America to have this deal as early as possible. That is because this is an agreement which has very far-reaching benefits for both countries, not just for India. Therefore, there is a very

strong commitment to try and get this agreement through quickly. But, at the same time, there is a recognition that this is a very complex issue. There are many complicated elements to this agreement. It is not at all surprising that in sitting down and negotiating on each one of these elements we find that it is complex. So, we have to continue to work hard, continue to see how we can bridge some of the remaining gaps. What are these gaps? These gaps are on a number of technical issues which relates to, for example, the nature of the separation to be carried out, the nature of the safeguards that would be applied. There are these kind of issues which we need to still find closure on.

QUESTION: I just wanted to know about two particular issues. Keeping in view that US is not ready to consider India a nuclear power, and is not ready to let India enter into the Security Council as a permanent member, and at the same time compelling India to bring its fast breeder reactors under the safeguards, what is India going to do if the nuclear agreement is not signed? Secondly, yesterday evening Mr. El Baradei has given his final report on Iranian nuclear activities. He has certified that all the activities in Iran have been considered peaceful and there has not been single evidence to show that Iran is intending to produce nuclear weapons or that technology. Keeping that view, what would India be doing if there is a voting on the 6th March?

FOREIGN SECRETARY: Let me take your last question first. How India will vote if a certain Resolution comes up before the IAEA on the 6th of March will be determined by the contents of the Resolution which is brought up for vote. I do not think it is worthwhile for us to speculate on how India will vote without India knowing what the contents of the Resolution are. So, let us wait and see. There will be an occasion for the Board of Governors to debate and to consider the report which is being put forward by the Director General, and then the Board will take a decision. When the time comes, and if and when there is a draft Resolution, we will, as always, judge it on its merits.

With respect to what will we do if the India-US Civil Nuclear Energy Agreement is not concluded, as I explained to you, there are very many other aspects of cooperation between India and the United States. Therefore, while we would certainly like to see the Civil Nuclear Energy Cooperation Agreement also concluded, if for whatever reason they cannot be concluded before the visit, we will, I presume, continue to negotiate on them and then move ahead with the other areas of cooperation on which there is no difference of opinion or no doubts in our minds.

QUESTION: You have been ...(inaudible)...negotiations. How do you personally feel that there is not an announcement that you can make ...(inaudible) ... simply evidence that the two sides are doing very hard bargaining?

FOREIGN SECRETARY: I think you would not need evidence. It is true that we are doing very hard bargaining. And it is the nature of the subject which requires very hard bargaining between the two sides. It is, as I said, at the risk of repeating myself, a very complex issue. So, it was always obvious that it would be difficult for both sides. We are making a lot of effort. Let me say we have made a considerable amount of progress as well. But we are not there yet. We need to still put in some hard work.

QUESTION: The Prime Minister in his statement yesterday admitted that the US is yet to translate its commitment into reality about the supply of fuel to Tarapur Nuclear Thermal Power Plant. What are the chances of the US meeting this commitment in the forthcoming visit? Is an announcement on that topic expected?

FOREIGN SECRETARY: I do not think so because I think what the US has said is that as soon as US laws are adjusted, it would become possible to make the supply of fuel to Tarapur.

QUESTION: Yesterday the Prime Minister's statement said ... (inaudible)... assurances ...

FOREIGN SECRETARY: The Joint Statement if you recall, after setting out the commitments that the US will adjust its laws and it will work together with friends and allies in the Nuclear Suppliers Group to bring about a change, then said in the meantime the US will... Our interpretation of 'in the meantime' was until the above has been achieved there would be an effort made to supply fuel to Tarapur. There is a difference of opinion on that interpretation. What the US says is that it would be not possible for them to make that exception without bringing about a change in the law because a supply of fuel to Tarapur without that law being changed would in a sense be illegal.

QUESTION: You talked about announcements that will be made. How many agreements are going to be signed?

FOREIGN SECRETARY: These are not agreements which are going to be signed in the format of the two principals sitting and various agreements being signed. Essentially what we would be doing is there are certain MOUs

or certain agreements which will be signed amongst concerned agencies at the time of the visit. Some of them will be reflected in the Joint Statement which we hope to also announce. There will be also fact-sheets which will be released giving details of the various decisions which have been arrived at. As I mentioned to you, there are several in the works.

QUESTION: There was a mention in the July 18 document about the US including an Indian astronaut in the training programme. Has there been any progress? If there has been no progress, why has there been no progress? Do you think you have embarked on this separation plan business a little too late in the day?

FOREIGN SECRETARY: Training of the Indian astronaut, or putting an Indian astronaut on a US mission entails a certain cost to us. Therefore, we have to determine whether or not for our space programme and for our space agency this was something which we should be making a financial outlay for. Given the priorities for their space plans, they came to the conclusion, our space agency came to the conclusion, that this was not something which really could fit into their perspective plans for our space programme. Therefore, we have not pursued this.

Your second question was, 'Did we embark on the separation plan at a very late stage?' No, we have been working on it since July 18, immediately after that. We have been working on all aspects of the Civil Nuclear Energy Cooperation Agreement between the two sides since then. As I mentioned to you, a considerable amount of progress has been made on all aspects of this proposed agreement. Separation plan is only one aspect. There are many other aspects of the agreement. We have been having very intensive negotiations on each and every aspect. But, we still have some distance to go as I said.

QUESTION: ...Inaudible... (On Civil Nuclear energy, President Bush's second term)?

FOREIGN SECRETARY: As I mentioned, it would certainly have made us very happy if we had the agreement in place for it to be announced during President Bush's visit to India. This initiative is not something which is episodic. It is not something which is a sort of an event. Its significance lies in terms of the process that it sort of opens up. If it is a process, and if it is something which is of long-term significance, then I think its relevance will remain even after the visit has been concluded.

QUESTION: My question pertains to the five talking points which President Bush had listed out at the Asiatic Society speech. Interestingly he was pretty okay with the rest of the talking points apart from the one on agricultural products and services. According to him, India should raise all its subsidy on agricultural products and services. Services was not the main agenda. How are we posturing ourselves on this particular demand which might come up?

FOREIGN SECRETARY: Our position on these issues is very well known. We have taken certain very well considered positions in the WTO. I think we will continue to take those positions. There is a certain logic to the position that we have taken on agricultural products. So, with regard to the issue of subsidies, with the exception of what applies to a country like India which has a very large population engaged in agriculture, where there is still a component of subsistence agriculture, there is a need for certain defence measures. If that is conceded, then we are looking at much freer trade in agriculture. We have no ideological sort of resistance to that.

But I think the reality of where our agriculture stands today still remains. In fact, if we really make success of the Knowledge Initiative in Agriculture, to which the United States is willing to contribute, we will see in the years to come a much freer access to the Indian market as far as agricultural products are concerned. Already I think there is a considerable amount of liberalization in this respect, something which would have been unthinkable a few years ago. I think people should appreciate that we have come this far. But our ability to go forward has to be in fact related to the reality of the Indian economy and Indian agriculture. I think we can explain this very persuasively to President Bush.

QUESTION: The Prime Minister was supposed to have spoken to the Secretary of State Condoleezza Rice last night. What did he speak to her? What was the conversation about?

FOREIGN SECRETARY: There was a conversation between the Secretary of State Condoleezza Rice and Prime Minister last night. I think the conversation, if I am not mistaken, related to how President Bush and the Secretary of State were looking forward to President Bush's visit to India, that there was great expectation and anticipation with regard to this visit. On the specific issues, of course, they touched upon...

QUESTION: Did she refer to the Prime Minister's speech?

FOREIGN SECRETARY: She did refer to the Prime Minister's speech but she also said that with regard to the Civil Nuclear Cooperation Agreement that we are close and we need to work hard in order to close whatever gaps there are. And she said that the Foreign Secretary Mr. Shyam Saran should put extra effort with Under Secretary Burns in order to achieve closure.

QUESTION: You just said that you will take sometime to cover this. How much time do you think both sides will take to cover and come to the deal?

FOREIGN SECRETARY: As long as it takes.

QUESTION: Hamas movement has won in the Palestinian elections and formed the Palestinian Government. The US has stopped the financial assistance to the Palestinian Authority and Palestinian people. What role India can play in the peace process in the Middle East? Would you support the Hamas movement forming the Palestinian Government?

FOREIGN SECRETARY: It is for the people of Palestine to decide how they are governed. We will respect the wishes of the people of Palestine. That is our position. We have always supported the legitimate struggle of the Palestinian people and we will continue to do so. Thank you.

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396. Joint Press Conference by Prime Minister Dr. Manmohan Singh and US President George W. Bush.

New Delhi, March 2, 2006.

PRIME MINISTER MANMOHAN SINGH: Mr. President, ladies and gentlemen of the press: President Bush and I have completed a very cordial and productive discussion this morning. We reviewed the status of our cooperation including the agenda that was set on July 18, 2005. The Joint Statement that we will share with all of you today contains a number of announcements and initiatives that underline the significant progress in our relationship. Many of the areas that our cooperation now covers are central to India's national development. They include energy, agriculture,

science and technology, trade and investment, high technology, health and clean environment. This is a highly ambitious agenda, one that is befitting our growing strategic partnership. When implemented, they will make a real difference to the lives of our people.

The President and I had an opportunity to review the global situation in our talks. As you are all aware, India and the United States are working together increasingly on global issues. This is not just good for our two countries but also benefits the international community, as we can complement each other's capabilities and shared responsibilities.

President Bush is admired for his strong position on terrorism and I was particularly pleased that we agreed on the need to root out terrorism of which India has been a major victim. I am particularly pleased that we have reached an understanding on the implementation of our agreement on civil nuclear cooperation of July 18, 2005.

I have conveyed to the President that India has finalized the identification of civilian facilities to which we had committed. I was also happy to hear from the President that he now intended to approach the US Congress to amend US laws and the Nuclear Suppliers Group to adjust its guidelines. We will discuss with the International Atomic Energy Agency in regard to fashioning an appropriate India-specific Safeguards Agreement. You will appreciate I cannot say more now while our Parliament is in session.

Before concluding, I would like to express my warm appreciation for the personal interest shown and the leadership role that President Bush has played in the transformation of our ties. I have met the President a number of times and on each occasion I have admired his vision, his resolve and his commitment to strengthening our bilateral relations.

Our discussions today make me confident that there are no limits to the Indo-US partnership. May I invite you Mr. President to now make your remarks.

PRESIDENT BUSH: Mr. Prime Minister, thank you very much. It is a joy to be here. Laura and I are really thankful for your hospitality. I appreciate the lengthy and constructive dialogue we just had on a wide range of issues. I particularly thank the CEOs from both the United States and India who have worked hard to help develop a way forward to make sure our relationship is constructive and long-lasting. India and America have built a strategic partnership based upon common values.

Our two democracies respect religious pluralism and the rule of law.

We seek to foster economic development through trade and advancing the entrepreneurial spirit in both countries. We are working as partners to make the world safer. India and America both suffer from terrorist attacks on our home soil. Terrorists attacked New Delhi. We are sharing information to protect each other. We have a common desire to enhance the security of our peoples. We are cooperating on the military front. We worked as partners in responding to the tsunami. I was struck, and so are the American people, that the Indian Air Force delivered the Hurricane Katrina aid to an Air Force Base in Little Rock, Arkansas. For that, Mr. Prime Minister, thank you.

We are committed to promoting democracy worldwide. We are leaders in the United Nations Democracy Fund, which provides grants to help young democracies develop civil institutions in a free society. I particularly want to thank the Indian people and the Indian Government for supporting the new democracy in their neighbourhood, that being the democracy in Afghanistan, where you have pledged USD 565 million in reconstruction aid plus USD 50 million for their new National Assembly building.

On Burma, we agree on the deplorable state of human rights in Burma and all nations should seek the release of Aung San Su Kyi. On Nepal, we agree that the Maoists should abandon violence, and that the King should reach out to the political parties to restore democratic institutions. In other words our discussions are more than just friendly handshakes. We discussed important international relations. We are partners in peace and that is in the interests of our own peoples as well as the interests of people around the world.

Our trade and investment ties are growing. We are partners in expanding global trade. The United States is India's largest trading partner, and India is one of the United States' fastest-growing export markets. That is one of the reasons we met with the CEOs today is to how to further trade, and how to further commerce, and how to further opportunities. By the way, Mr. Prime Minister, United States is looking forward to eating Indian mangoes. Part of liberalizing trade is to open up markets, and as a result of your leadership and our hard work we are opening up markets.

Our Agricultural Knowledge Initiative is an important initiative for both countries. We will fund joint agricultural research projects. Prime Minister Singh and I established a Trade Policy Forum to address bilateral trade issues. One of the areas we discussed today is how we can work together

to make sure that the Doha negotiations end on a positive note. Trade is important; trade is important for our peoples, trade is important to help nations develop ways forward, help nations overcome poverty. I appreciate your understanding of that, Mr. Prime Minister, I am looking forward to working with you.

As the Prime Minister mentioned, we concluded a historic agreement today on nuclear power. It is not an easy job for the Prime Minister to achieve this agreement, I understand. It is not easy for the American President to achieve this agreement but it is a necessary agreement. It is one that will help both our peoples. I applaud you for your courage and your leadership. I am looking forward to working with our United States Congress to change decades of law that will enable us to move forward on this important initiative.

Also, we talked about the Advanced Energy Initiative that I am proposing to my own country. The whole purpose of the Advanced Energy Initiative is to end our dependence on oil. As we develop technologies that will enable us to do so, we look forward to working with India so that we can achieve the same objectives. Dependency on fossil fuels causes, particularly during times of shortage, prices to rise in both our countries. And it is in our interest that we share technologies to move away from the era of fossil fuels.

India and Pakistan have a historic opportunity to work towards lasting peace. Prime Minister Singh and President Musharraf have shown themselves to be leaders of courage and vision. And I encourage them to continue to making progress on all issues including Kashmir.

India and America are partners in addressing other global issues like HIV AIDS and pandemic flu. In other words, this partnership of ours is substantive and it is important, and it is strategic. And I thank the Prime Minister for working with me to advance this relationship in such a way that we can define our previous meetings and today's meeting as historic in nature. I am confident that the relationship between India and the United States is good for the United States of America. I hope it is good for the people of India and I know it is going to be good for laying the foundations of peace in this world of ours. Mr. Prime Minister, thank you very much for having me.

PRIME MINISTER MANMOHAN SINGH: It is a great honour, Mr. President, to have you with us.

QUESTION (SHEILA BHATT): Mr. Prime Minister, since you have said that Indo-US Nuclear Cooperation Agreement is on, we would like to know from you how you are going to ensure India's concerns and Indian scientific community's concerns regarding non-stop supply of fuel and also protecting India's three-phase nuclear research programme. Mr. President, I have a question for you too, Sir. Everybody is saying that India and the United States are natural allies. You have also said many times that our strategic partnership is based on common values, shared values. Then why is the oldest democracy of the world reluctant or not forthcoming to support the largest democracy of the world to have permanent membership of the United Nations Security Council? This is an issue on which India would like to hear from you more, Sir.

PRIME MINISTER MANMOHAN SINGH: You have asked me about the nuclear agreement. As I mentioned, we have reached a mutually satisfactory understanding with regard to carrying forward the process which was outlined in the July 18 statement which I and President Bush signed. An important step forward is the preparation of a separation plan, a separation plan which separates the civilian nuclear programme from the military programme. That phase has been successfully completed. Now it is for the United States to go to the Congress for necessary amendments in US laws. Also, the US will approach the members of the Nuclear Suppliers Group and thereafter we will also have to go to the International Atomic Energy Agency for India-specific safeguards. So, we have made very satisfactory progress and I thank the President for his initiative. But for his leadership, this day would probably have not come so soon.

PRESIDENT BUSH: Thank you for your question on the UN Security Council. I am not surprised you asked it. As a matter of fact I gave an interview to a person from the Indian media in Washington DC prior to my trip and that was one of the questions asked. My answer has not changed by the way, which is this. We support United Nations Security Council reform, and we are interested in different ways to reform the United Nations Security Council. My concern all along, however, is that if we only stick to the United Nations Security Council reform we miss an opportunity to reform the United Nations overall. So, our position is let us make sure reform overall moves forward as we think about the best way to reform the Security Council. United Nations is a very important international body. It is one that does however require better accountability, accountability on how we spend the money, accountability on getting results. One such area for example is the Human Rights Commission. Human Rights Commission

needs to be reformed in a way that actually is able to achieve significant results on behalf of the world. So, we are open-minded and we are listening. But what we do not want to do is have a Security Council reform measure that causes other reforms not to go forward.

QUESTION (SUZANNE): There are reports of multiple bombings at Karachi, Pakistan, outside of the US Consulate as well as the Marriott hotel. What can you tell us about this? Will it impact your trip, your visit to that country? And how does this speak to Pakistan or even Musharraf's ability to contain terrorists?

PRESIDENT BUSH: First of all, I have been briefed on the bombings. We have lost at least one US citizen in the bombing, a Foreign Service officer. I send our country's deepest condolences to that person's loved ones and family. We also send the condolences to the people from Pakistan who lost their lives.

Terrorists and killers are not going to prevent me from going to Pakistan. My trip to Pakistan is an important trip. It is important to talk with President Musharraf about continuing our fight against terrorists. After all, he has had a direct stake in this fight. Four times the terrorists tried to kill him.

Prime Minister and I talked about the need to continue working together to fight the scourge of terrorism. People - these terrorists will kill innocent people just like that. They have no conscience. You cannot negotiate with them; you cannot reason with them. They must be brought to justice. The bombing that took place prior to my trip is an indication that the war on terror goes on, and that free nations must come together to fight terrorism.

The way to defeat terrorism in the short run is to share intelligence and to take action. The way to defeat terrorism in the long run is to defeat the ideology of hate with an ideology of hope, and that is democracy. The great thing about being here in India is it is a perfect opportunity to remind the world that it is possible for people of different religions to live peacefully together. That is precisely what this grand democracy has shown to the world.

My resolve has never been stronger about protecting our own people by working with other nations, to answer the call of history. And the call of history now is to stand strong in the face of these terrorist attacks. And we will.

QUESTION (INDRANI BAGCHI): President Bush, two questions for you. First, on the nuclear deal. How do you plan to sell the agreement to a very powerful nonproliferation lobby in Washington which is opposed to the deal? Second, on the issue of terrorism in the context of today's bomb blasts in Karachi. How do you propose to work with India on terrorism considering India considers that the epicenter of terrorism is in Pakistan?

PRESIDENT BUSH: One way we work together on terrorism is to make sure intelligence services share information. The way you defeat terrorists in the short term is you anticipate and react to their motives and their actions through good intelligence.

We are involved in a different kind of war. This is a war where people hide and plot and plan and all of a sudden emerge and kill and so it requires a different response. A part of the response is to commit our intelligence services to sharing information. We spent some time talking about that issue today.

As well, I would bring the same message to President Musharraf that we would continue to work with the President sharing information to bring terrorists to justice. Terrorism is not prevalent only in this part of the world. It is prevalent in the Middle-East as well. In the long run terrorism will be defeated by giving people hope and opportunity as opposed to the systems of Government which breed resentment and as a result of that resentment provide opportunities for these killers to recruit.

In terms of convincing the Congress, first thing I will say to our Congress is that our relationship is changing to the better. Sometimes it is hard to get rid of history and short term history shows that the United States and India were divided. We did not have much of a relationship. As a result there are laws on the books that reflect that. Now the relationship is changing dramatically. People in the United States have got to understand that trade with India is in our interests, that diplomatic relations with India is in our interests, that cultural exchanges with India are in our interests.

One of the things that helps make that case, of course, is, as you know, there are a lot of Indian Americans making important contributions to our country and we welcome those contributions. I think there need to be more student exchanges between our countries. I think we ought to expand H1B visas for Indian scientists and engineers and physicists and people in our country.

What I am trying to explain to you is that it is a changing relationship and part of that change is going to be how to deal with the nuclear issue. Proliferation is certainly a concern and a part of our discussions and we have got a good, brave gesture by the Indian Government that I will be able to take to the Congress. But the other thing that our Congress has got to understand is that it is in our economic interests that India have civilian nuclear power industry to help take the pressure off of the global demand for energy.

Obviously, nuclear power is a renewable source of energy. The less demand there is for non-renewable sources of energy like fossil fuels, the better of it is for the American people. Increasing demand for oil from America, from India and China relative to a supply that is not keeping up with demand causes our fuel prices to go up. And so to the extent that we can reduce demand for fossil fuels, it will help the American consumer. So, there are several ways for me to make the case which I am kind of laying out for you now, so that – but this is what I will be telling our Congress.

QUESTION (AMERICAN MEDIA): Mr. President, Mr. Prime Minister, following up on this just to touch, what kind of message does it send to the world that India, which has been testing as late as 1998, nuclear testing, and has not signed Nuclear Non-Proliferation Treaty. Is this a reward for the bad behaviour as some critics suggest? And what kind of message does it send to other countries that are in the process of developing nuclear technology? Why should they sign the NPT if India is getting a deal without doing so, Sir?

PRESIDENT BUSH: What this agreement says is things change, times change, that leadership can make a difference, and telling the world - sending the world a really different message from that which is – what used to exist in people's minds. Listen, I have always said this was going to be a difficult deal for the Prime Minister to sell to his Parliament. But he showed great courage and leadership. It is difficult for the American President to sell to our Congress because some people just do not want to change and change with the times. I understand that. But this agreement is in our interests. And, therefore, I am confident we can sell this to our Congress as in the interest of the United States, and at the same time make it clear that there is a way forward for other nations to participate in a civilian nuclear power in such a way as to address non-proliferation concerns.

India has charted a way forward. You heard the Prime Minister talk about going to the IAEA. That group exists to help safeguard, safeguard the world from proliferation. Listen, I proposed reprocessing agreements - that stands in stark contrast to the current nuclear theology that we should not reprocess, for proliferation concerns. I do not see how you can advocate nuclear power, in order to take the pressure off of our economy, for example, without advocating technological development of reprocessing, because reprocessing will not only – reprocessing is going to help with the environmental concerns with nuclear power. It will make there – to put it bluntly, there will be less material to dispose.

So, I am trying to think differently, not to stay stuck in the past and recognize that by thinking differently, particularly on nuclear power, we can achieve some important objectives, one of which is less reliance on fossil fuels and second is to work with our partners to help both our economies grow, and thirdly, is to be strong on dealing with the proliferation issues. Well, Mr. Prime Minister, it has been a joy.

PRIME MINISTER MANMOHAN SINGH: Thank you very much, Mr. President, we have made history today, and I thank you.

PRESIDENT BUSH: Thank you, Sir. Thank you.

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397. Joint Statement issued at the end of the visit of the President of the United States of America George W. Bush.

New Delhi, March 2, 2006.

President George W. Bush and Prime Minister Manmohan Singh today expressed satisfaction with the great progress the United States and India have made in advancing our strategic partnership to meet the global challenges of the 21st century. Both our countries are linked by a deep commitment to freedom and democracy; a celebration of national diversity, human creativity and innovation; a quest to expand prosperity and economic opportunity worldwide; and a desire to increase mutual security against the common threats posed by intolerance, terrorism, and the spread of weapons of mass destruction. The successful transformation of the U.S.-India relationship will have a decisive and positive influence on the future international system as it evolves in this new century.

Reviewing the progress made in deepening the global partnership between the United States and India since their Joint Statement of July 18, 2005, the President and the Prime Minister reaffirm their commitment to expand even further the growing ties between their two countries. Consistent with this objective, the two leaders wish to highlight efforts the United States and India are making together in the following areas, where they have:

FOR ECONOMIC PROSPERITY AND TRADE

- (1) Agreed to intensify efforts to develop a bilateral business climate supportive of trade and investment by:
 1. Welcoming the report of the U.S.-India CEO Forum, agreeing to consider its recommendations aimed at substantially broadening our bilateral economic relations, and directing the Chairs of the Indo-U.S. Economic Dialogue to follow up expeditiously with the CEO Forum;
 2. Endorsing the efforts of the U.S.-India Trade Policy Forum to reduce barriers to trade and investment with the goal of doubling bilateral trade in three years;
 3. Agreeing to advance mutually beneficial bilateral trade and investment flows by holding a high-level public-private investment summit in 2006, continuing efforts to facilitate and promote foreign direct investment and eliminate impediments to it, and enhancing bilateral consultations on various issues including tariff and non-tariff barriers to trade in goods and services, and preventing the illicit use of the financial system.
- (2) Sought to expand cooperation in agriculture by:
 1. Launching the Knowledge Initiative on Agriculture with a three-year financial commitment to link our universities, technical institutions, and businesses to support agriculture education, joint research, and capacity building projects including in the area of biotechnology.
 2. Endorsing an agreed workplan to promote bilateral trade in agriculture through agreements that: lay out a path to open the U.S. market to Indian mangoes, recognize India as having the authority to certify that shipments of Indian products to the United States meet USDA organic standards, and provide

for discussions on current regulations affecting trade in fresh fruits and vegetables, poultry and dairy, and almonds.

- (3) Reaffirmed their shared commitment to completing the WTO Doha Development Agenda (DDA) before the end of 2006, and agreed to work together to help achieve this outcome.

FOR ENERGY SECURITY AND A CLEAN ENVIRONMENT

- (1) Welcomed the successful completion of discussions on India's separation plan and looked forward to the full implementation of the commitments in the July 18, 2005 Joint Statement on nuclear cooperation. This historic accomplishment will permit our countries to move forward towards our common objective of full civil nuclear energy cooperation between India and the United States and between India and the international community as a whole.
- (2) Welcomed the participation of India in the ITER initiative on fusion energy as an important further step towards the common goal of full nuclear energy cooperation.
- (3) Agreed on India's participation in FutureGen, an international public-private partnership to develop new, commercially viable technology for a clean coal near-zero emission power project. India will contribute funding to the project and participate in the Government Steering Committee of this initiative.
- (4) Welcomed the creation of the Asia Pacific Partnership on Clean Development and Climate, which will enable India and the U.S. to work together with other countries in the region to pursue sustainable development and meet increased energy needs while addressing concerns of energy security and climate change. The Partnership will collaborate to promote the development, diffusion, deployment and transfer of cleaner, cost-effective and more efficient technologies and practices.
- (5) Welcomed India's interest in the Integrated Ocean Drilling Program, an international marine research endeavor that will contribute to long-term energy solutions such as gas hydrates.
- (6) Noting the positive cooperation under the Indo-U.S. Energy

Dialogue, highlighted plans to hold joint conferences on topics such as energy efficiency and natural gas, to conduct study missions on renewable energy, to establish a clearing house in India for coal-bed methane/coal-mine methane, and to exchange energy market information.

FOR INNOVATION AND THE KNOWLEDGE ECONOMY

- (1) Emphasizing the importance of knowledge partnerships, announced the establishment of a Bi-National Science and Technology Commission which the U.S. and India will co-fund. It will generate collaborative partnerships in science and technology and promote industrial research and development.
- (2) Agreed that the United States and India would work together to promote innovation, creativity and technological advancement by providing a vibrant intellectual property rights regime, and to cooperate in the field of intellectual property rights to include capacity building activities, human resource development and public awareness programs.
- (3) Agreed to continue exploring further cooperation in civil space, including areas such as space exploration, satellite navigation, and earth science. The United States and India committed to move forward with agreements that will permit the launch of U.S. satellites and satellites containing U.S. components by Indian space launch vehicles, opening up new opportunities for commercial space cooperation between the two countries.
- (4) Welcomed the inclusion of two U.S. instruments in the Indian lunar mission Chandrayaan-1. They noted that memoranda of understanding to be signed by ISRO and NASA would be significant steps forward in this area.
- (5) Welcomed the U.S. Department of Commerce's plan to create a license exception for items that would otherwise require an export license to end-users in India engaged solely in civilian activities.

FOR GLOBAL SAFETY AND SECURITY

- (1) Noted the enhanced counter-terrorism cooperation between the two countries and stressed that terrorism is a global

scourge that must be fought and rooted out in every part of the world.

- (2) Welcomed the increased cooperation between the United States and India in the defense area, since the New Framework for the U.S.-India Defence Relationship was signed on June 28, 2005, as evidenced by successful joint exercises, expanded defence cooperation and information sharing, and greater opportunities to jointly develop technologies and address security and humanitarian issues.
- (3) Reaffirmed their commitment to the protection of the free flow of commerce and to the safety of navigation, and agreed to the conclusion of a Maritime Cooperation Framework to enhance security in the maritime domain, to prevent piracy and other transnational crimes at sea, carry out search and rescue operations, combat marine pollution, respond to natural disasters, address emergent threats and enhance cooperative capabilities, including through logistics support. Both sides are working to finalize a Logistics Support Agreement at the earliest.
- (4) Welcomed India's intention to join the Container Security Initiative aimed at making global maritime trade and infrastructure more secure and reducing the risk of shipping containers being used to conceal weapons of mass destruction.
- (5) Reiterated their commitment to international efforts to prevent the proliferation of weapons of mass destruction.
- (6) Building on the July 2005 Disaster Relief Initiative, noted the important disaster management cooperation and their improved capabilities to respond to disaster situations.
- (7) Recognized the importance of capacity building in cyber security and greater cooperation to secure their growing electronic interdependencies, including to protect electronic transactions and critical infrastructure from cybercrime, terrorism and other malicious threats.

DEEPENING DEMOCRACY AND MEETING INTERNATIONAL CHALLENGES

- (1) Recalled their joint launch of the UN Democracy Fund in

September 2005 and offered the experience and expertise of both Governments for capacity building, training and exchanges to third countries that request such assistance to strengthen democratic institutions.

- (2) Welcomed the decision of India and the United States to designate a representative to the Government Advisory Board of the International Centre for Democratic Transition (ICDT) located in Budapest to facilitate cooperative activities with ICDT.
- (3) Agreed that the Virtual Coordination and Information Centres set up in September 2005 should be further strengthened and a bilateral meeting aimed at developing a practical programme for utilization of its services be held soon.
- (4) Expressed satisfaction at the expedited USFDA drug approval processes that strengthen the combat against HIV/AIDS at the global level and encourage greater corporate participation to meet this challenge, including the establishment of the Indo-U.S. Corporate Fund for HIV/AIDS.
- (5) Agreed to expand bilateral efforts and continue cooperation in the area of medical research and strengthen technical capacity in food and drug regulation in India as well as address the concern on avian influenza, including agreement to reach out to the private sector, develop regional communications strategies, and plan an in-region containment and response exercise. The President welcomed India's offer to host the International Partnership on Avian and Pandemic Influenza meeting in 2007.
- (6) Welcomed India's membership in the Coalition Against Wildlife Trafficking, a partnership through which we will collaborate in the fight against illegal trade in wildlife and wildlife parts; we also welcome the opportunity to strengthen longstanding work together on the conservation of wildlife through cooperation on park management and ecotourism.

President Bush thanked Prime Minister Singh and the people of India for the warmth of their reception and the generosity of their hospitality.

398. Speech by Prime Minister Dr. Manmohan Singh at the banquet hosted in honour of the US President George W. Bush.

New Delhi, March 2, 2006.

I am delighted to welcome you and your distinguished delegation to India. We are pleased to have you in our midst.

It is our privilege to return your warm hospitality at the White House. The people of India have great regard and affection for the American people, as they have had for centuries. Ours has long been a two-way relationship. Long years ago, the Father of our Nation, Mahatma Gandhi, acknowledged the influence of Henry David Thoreau when he launched a movement for civil disobedience against foreign rule. In our own generation, a great son of the United States, Martin Luther King, acknowledged the influence of Gandhiji, when he launched a non-violent struggle for civil liberties and racial equality.

Close to half a century ago President Eisenhower said on a visit to India: "We who are free – and who prize our freedom above all other gifts of God and nature – must know each other better; trust each other more; support each other." Today those words have a new resonance. Your people and ours have come to regard democracy and peaceful political mobilization as legitimate and civilised instruments of social change. Our passionate commitment to democracy and human rights, our respect for equality of all before the law and our regard for freedom of speech and faith place us on the same side of history.

Today, in India, we are engaged in a Himalayan adventure of pursuing development, improving the quality of life and modernizing one of the world's oldest civilizations. We seek to provide a social and economic environment at home that will unleash the creativity and enterprise of every Indian, thus enabling our people to live a life of dignity, fulfillment and self-respect. The United States has long been a partner in our journey of progress. I am therefore happy that on this visit you will renew an old association between our countries in the field of agriculture. Our farmers greatly benefited from American help in the past, and they will now do so again through the knowledge initiative that you will launch.

In India, we admire the creativity and enterprise of the American people, your excellent institutions, the openness of your economy and your ready

embrace of diversity. These have attracted the brightest Indian minds, thereby creating a bridge of understanding that transcends distance and differences between us. Tomorrow, you will meet young Indians who fuel the engines of our knowledge economy. Your own country has made it possible for the talent and abilities of our people to become more visible to all.

We seek a world free of poverty, ignorance, disease and the threat of terrorism. The United States and India must work together in all possible forums to these ends. We must fight terrorism wherever it exists, because terrorism anywhere threatens democracy everywhere.

India seeks a neighbourhood of peace and prosperity. Our sub-continent of ours has been home to all the great religions of the world. It is a powerhouse of human creativity, where knowledge is worshipped as the gift of our creators. With wisdom and farsightedness, we South Asians can transform not just this region, but the whole world. In our journey of modernization and development, social change and empowerment, we see the United States as a partner, a friend and a well-wisher.

In particular, Mr. President, we see you as a true friend of India. I have always been touched by your warm praise for India and the Indian people. We sincerely acknowledge your deep personal commitment to a closer economic and strategic partnership between our two countries. Indeed, I recall that at our very first meeting you paid tribute to our efforts to achieve economic and social salvation in the framework of an open society and an open economy. I was deeply touched by your admiration for Indian democracy and our commitment to pluralism and modernism.

We in India greatly appreciate the firm stand you took against the upsurge of protectionist forces in your country and the farsighted approach you adopted on the issue of outsourcing. In taking this stand you have not only cemented closer relations between our two countries but also helped America retain its edge in the global market.

Madame First Lady, my wife and I recall with gratitude your warm hospitality at your home. You have a deep and abiding interest in learning and education. I hope you will return to India to spend time with our students and teachers and discover a new India in the making. I am truly sorry that the President is not taking you to Taj Mahal this time! I hope he will be more chivalrous the next time you are here!

I now request you to join me in a toast:

To the continued good health and happiness of the President and First Lady;

To ever-lasting friendship between our great nations.

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399. Joint Statement on Trade issued during the visit of U. S. President.

New Delhi, March 2, 2006.

India and the United States agree that trade is essential to promoting global economic growth, development, freedom and prosperity.

We fully share the goal of completing the WTO Doha Development Agenda (DDA) before the end of 2006, and agree to work in partnership to help achieve this outcome.

During our discussions, we agreed to meet the task with ambition, determination and a readiness to contribute, consistent with our roles in global trade, and to keep the development dimension in focus. The system of trading rules to which our two great democracies have contributed immensely must be strengthened. Towards this global cause, we recommit ourselves and invite all key participants to demonstrate their leadership.

We agree that a successful Round depends upon progress in all areas of the negotiations if we are to meet our goal of promoting development through trade. We are committed to a DDA result consistent with the mandates already agreed that realize a substantial outcome in all three pillars of the agriculture negotiations (domestic support, export competition and market access); significant improvements in market opportunities in manufacturing and services; and appropriate disciplines, including transparency of regulatory practices in services. We also believe we should strengthen the rules that facilitate trade, where we have jointly made proposals. Work in all these areas must go hand in hand.

We agree to pursue an ambitious agenda for the first half of 2006, consistent with the important milestones that were set at the Hong Kong Ministerial for agriculture, manufacturing, services and other issues, and continuing to press for the goal of concluding the negotiations by the end of 2006.

We will continue to work to promote reform, respond to the concerns of developing countries, and create opportunities for growth for all. We are building the trading system of the future, where progressive liberalization and reform result in improvement in standards of living for all, in particular for the millions of poor across the developing world.

While working for a successful Doha Round, we also reaffirm our commitment to strengthen and deepen bilateral trading ties. We note with satisfaction the successful implementation of our initiative to create the U.S.-India Trade Policy Forum and the CEO Forum to this end, and in particular the achievements in the areas of agricultural trade, investment, trade in services, the reduction of tariff and non-tariff barriers to trade, and spurring innovation and creativity. We agree to promote innovation, creativity and technological advancement by providing a vibrant intellectual property rights regime. As two dynamic economies with many complementary interests, the U.S. and India will seek to enhance bilateral trade and investment ties by expanding private sector contacts, dismantling barriers to trade, building trade capacities and strengthening trade-promoting institutions.

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400. US-India: A New Vision for Economic Partnership

New Delhi, March 2, 2006.

A new era of cooperation between the US and India was ushered in on July 18, 2005 in Washington DC when President George Bush and Prime Minister Manmohan Singh concluded a set of far reaching initiatives which will pave the way for a closer economic and strategic partnership between the two countries at Government and at industry levels.

One of the initiatives taken was to form a US-India CEO Forum, comprising selected CEOs from both countries, with a mandate to develop a road map for increased partnership and cooperation between the two countries at a business level. It was also envisaged that this joint Forum could identify issues which might be included in the Agenda for discussion between President Bush and Prime Minister Singh when they meet in New Delhi in March 2006.

The US and India share common values based on their democratic, multi-cultural, multi-ethnic and multi-religious societies, as well as a strong entrepreneurial spirit, all of which support the bilateral Strategic Partnership.

Both the US and India are committed to full exploitation of the mutual benefits of globalization, which is an irreversible process driven by technology and the development of human resources in an increasingly knowledge-based world. Through mutual harnessing of technology and human capital, the US and India can forge a unique partnership to achieve greater competitiveness and prosperity for the citizens of both nations.

The Forum believes the new Economic Partnership will present the US and India with substantial opportunities to increase trade and investment activity, enhance market access for goods and services and develop greater competitiveness in both countries by leveraging their respective strengths.

Following the “Priority Initiatives” outlined here, this document sets out the 6 Major Areas for Cooperation identified by the Forum, with initiatives that should be undertaken by the two Governments and/or by industry partnerships. These Areas would have the greatest impact on Economic Cooperation, as they impact multiple sectors.

In addition, and detailed later in this document in the Appendix, the Forum has recommended specific action in 15 business sectors with the potential for significantly enhancing trade and investment by policy initiatives by the two governments. And finally, also in the Appendix, are summarized the measures to create an “Enabling Environment”.

US-India CEO Forum 3

The Forum has defined 6 **Priority Initiatives**, drawn from within the report for consideration, as these could be implemented expeditiously:

1. Promotion of Trade and Industry – encompassing greater freedom to invest in services sectors, freer movement of people, removal or reduction of tariff and non-tariff barriers and subsidies in agriculture and manufactured goods, on both sides. India and the US can partner to make the Doha Round of the WTO a success by showing leadership to support an ambitious outcome and making strong offers in all the key areas of negotiations.

2. Creation of an Infrastructure Development Fund – This could act as a vehicle for US investment into Indian infrastructure. It is proposed

that a corpus of \$ 5 billion be targeted, with minority Indian Government participation, and leveraging the expertise of the World Bank/ IFC/ ADB and other financial institutions in the selection and monitoring of investments.

3. Promote Technology Exchange in Agriculture, Biotechnology and Nanotechnology – through a combination of exchange of scientists between Universities/Labs in the two countries and by setting up Centres for R&D in these fields supported by the two Governments.

4. Partner in Skills Development – US and Indian companies could work together for joint sponsorship of select Industrial Training Institutes (ITIs) in India and/or in the setting up of new institutes.

5. Set up an Indo-US Centre for Industrial R&D in product design and development – with support from US and Indian industry and government.

6. Establish a Dispute Resolution Mechanism - a dispute settlement mechanism that has the power and jurisdiction to resolve commercial and contractual disputes quickly could be set up by India. Continued government focus at both center and state levels is also required to resolve legacy issues.

The US and Indian economies continue to show strong growth despite facing complex challenges. The new Vision of Economic Partnership is one of promise and mutual benefits combined with challenges which can be met, squarely, and overcome.

The members of the CEO Forum would like to record their appreciation for the trust reposed in them by President Bush and Prime Minister Singh.

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401. India-US Space Cooperation - Fact Sheet.

New Delhi, March 2, 2006.

Civil Space cooperation between India and US is a significant aspect of the emerging high technology and strategic cooperation between the two countries. This is one of the areas identified under the now completed Next Steps in Strategic Partnership (NSSP) and has advanced through discussions within the ambit of the India-US High Technology Cooperation Group and the India-US Space Conference in June 2004 in Bangalore. With a view to expand further the scope of cooperation, a Joint Working Group (JWG) on Civil Space Cooperation has been established and it held its first meeting at Bangalore in June 2005. The next meeting of the JWG is expected later this year. The JWG serves as a permanent platform for joint review and formulation of policy, for monitoring and review of joint programmes and to create, establish and modify mechanisms for smooth collaboration in the field of civil space cooperation between both the countries.

In an important step forward and one that opens up a wide array of opportunities on both sides for cooperation in outer space exploration, US has authorized its entities for export of two US scientific instruments enabling their inclusion in the first Indian instrumented lunar mission Chandrayaan-1. These two US instruments are - (1) Miniature Synthetic Aperture Radar to map the polar landscape and deposits of water ice in these cold traps up to a depth of a few metres and (2) a Moon Mineralogy Mapper (M3) to assess the mineral resources of the Moon and to characterise and map the composition of the surface at high spatial resolution. These NASA funded instruments were selected from 16 firm proposals from all over the globe received by ISRO against its announcement of opportunity and are expected to contribute to the advancement of scientific knowledge about the moon. Towards this end, ISRO and NASA have formulated two MoUs which define the scope of the experiments and sharing of responsibilities and data.

Further, to facilitate the launching of US licensed satellites and also foreign satellites carrying US controlled items, as envisaged under the NSSP, a Technology Safeguard Agreement has now been mutually agreed to safeguard protected technologies of the either side associated with such a mission.

The two sides continue to explore the possibilities of cooperation in earth observation, satellite navigation and its application, space science, natural hazards research and disaster management support, and space education.

402. U.S. - India to Establish a Bi-National Science and Technology Endowment Fund and Joint Commission.

New Delhi, March 2, 2006.

President George Bush and Prime Minister Manmohan Singh announced the intention to establish a Bi-National Science and Technology Endowment Fund and a standing Science and Technology (S&T) Joint Commission. These initiatives will accelerate cooperation in many technical fields of mutual interest to India and the United States and benefit the economy and well-being of citizens of both countries. These initiatives build on the S&T Cooperation Agreement signed October 17, 2005.

India and the US have a highly-developed educational and research and development capacities. Scientific and economic links between India and the United States have remained strong since the early 1960s, first in agriculture, and then spreading into a broad range of areas involving most U.S. government technical agencies.

The United States and India will each contribute to start the Bi-National S&T Endowment Fund. Additional contributions are anticipated to be added from private sources. Income from the Fund will support the joint research and the development of India-U.S. S&T projects selected through a competitive process. Projects considered for funding will span a broad spectrum of topics of mutual priority, particularly those with potential to jump from the laboratory into the private sector. Topics include: biotechnology; health and infectious diseases; advanced materials and nanotechnology science; climate science; clean energy technologies; clean water technologies, hydrology and watershed management; cyber-security; natural resource and wildlife conservation management; basic space, atmospheric and earth sciences; and marine sciences.

Recognizing the unique and expanding role of Science and Technology in Indo-U.S. relations, the Prime Minister and the President also agreed to form a Binational S&T Joint Commission that would provide a framework for a vigorous public-private partnership aimed at:

- Serving as a bridge and forum for dialogue between the government science and technology agencies in both countries;
- Fostering R&D and scientific exchanges between government, universities, research institutions, and the private sectors;

- Encouraging the joint research and development of fast and medium S&T projects for commercial products for mutual benefit of both countries through mutually agreed mechanisms.
- Overseeing Indo-US cooperation in Science and Technology implemented through existing and emerging arrangements, including the Indo-US S&T Forum and the Binational S&T Endowment Fund, and;
- Encouraging commercialization of new technologies and identifying and promoting reduction of regulatory and bureaucratic barriers in both countries.

The Joint Commission will be appointed and serviced by the Department of State of the Government of the United States of America and the Government of India, co-chaired by senior leaders from each country, and composed of representatives from the scientific community, government and industry.

Taken together, these activities herald a new era in S&T cooperation between the two countries.

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403. Indo-U.S. Framework for Maritime Security Cooperation.

New Delhi, March 2, 2006.

1. Consistent with their global strategic partnership and the new framework for their defence relationship, India and the United States committed themselves to comprehensive cooperation in ensuring a secure maritime domain. In doing so, they pledged to work together, and with other regional partners as necessary, to protect the free flow of commerce and to counter threats that could undermine maritime security.
2. The two countries reaffirmed their commitment to support existing multilateral efforts to enhance maritime security, including initiatives undertaken by the International Maritime Organization and other relevant UN programs. They noted the contribution to maritime security of the ongoing Indo-U.S. cooperation on disaster relief.
3. India and the United States will address, in a joint and combined manner as necessary, consistent with respective national legal

authorities and relevant international law, maritime threats, including: piracy and armed robbery at sea; threats to safety of ships, crew, and property as well as safety of navigation; transnational organized crimes in all dimensions; the illicit trafficking in weapons of mass destruction, their delivery systems, and related materials; environmental degradation; and natural disasters.

4. In pursuance of the above objectives, the two countries will:
- Hold regular maritime security policy and implementation discussions in the Defense Policy Group, the Naval Executive Steering Group, and Military Cooperation Group. They will discuss current policies and emerging maritime issues to develop new avenues of cooperation, including exercises.
 - Pursue cooperation in the following areas:
 - Prevention of, and response to, acts of transnational crime at sea such as piracy, armed robbery at sea, smuggling, and trafficking in arms and drugs.
 - Search and rescue operations at sea.
 - Exchange of information and facilitation of technical assistance on combating marine pollution, as mutually agreed.
 - Enhancement of their cooperative capabilities in the maritime domain through technology cooperation and defense trade, as well as an appropriate agreement on logistic support.

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404. Fact Sheet on Wildlife Trafficking.

New Delhi, March 2, 2006.

On September 23, 2005 United States announced the formation of the Coalition against Wildlife Trafficking (CAWT). This global coalition focuses political and public attention on growing threats to wildlife from poaching and illegal trade. Seven major U.S.-based environmental and business groups with global interests and programs have joined the Coalition: Conservation International, Save the Tiger Fund, the Smithsonian Institution, Traffic International, WildAid, Wildlife Conservation Society, and the American Forest & Paper Association. Membership of CAWT is open

to Governments, NGOs and corporations committed to combating wildlife trafficking.

Wildlife trafficking is a global problem with trading in animals, animal parts and exotic species fueling a \$10 billion trade. Wildlife trafficking problem is compounded because of a global nexus with criminals operating in the areas of drugs and weapons and needs to be tackled by a multilateral effort. In order to address the problem both the supply and the demand side issues need to be addressed simultaneously. Whereas US, China and Europe are the major markets, a lot of wild animals and illegal wildlife parts/products are sourced from Asian countries. CAWT is focusing its initial efforts on Asia, a major source of illegal wildlife and wildlife parts to the world, including North America, Europe as well as the US. CAWT aims to support the initiatives of the countries in the region, including the Regional Action Plan on Trade in Wild Flora and Fauna, an ASEAN initiative.

India and United States have been collaborating in the area of wildlife conservation. The US Fish and Wildlife Service (USFWLS) and Wildlife Institute of India have had collaborative projects since 1989. USFWLS has also supported projects with Bombay Natural History Society and other organizations for implementation in various States of India to train specialists of international repute in wildlife management and conservation. Given the diversity of wildlife in our two countries, India and US have been exploring new areas of possible cooperation. Discussion between our officials have focused on exchanges of National Park and Customs Officials, educating public about this illegal trade, wildlife and national park management, sharing of best practices and eco-tourism. A clearer and scientific understanding of reasons of human-animal conflict, habitat degradation and animal behaviour is also required to manage this conflict as well as drafting of local people to promote eco-tourism.

An effective strategy requires media and public participation as well as curbing wildlife crime with strong investigation and prosecution regimes. India will join the CAWT in coherence with its national legislations as well as the International Conventions to which it is a party.

405. Fact Sheet: India–US Knowledge Initiative on Agriculture, Education, Research, Services and Commercial Linkages.

New Delhi, March 2, 2006.

1. Pursuant to the understanding on cooperation in Agriculture reflected in the Joint Statement of US President George Bush and Indian Prime Minister Dr. Man Mohan Singh on July 18, 2005 during the visit of Dr. Man Mohan Singh to the USA, the Ministry of Agriculture, Government of India and U.S. Department of Agriculture (USDA) agreed to work together for a new India – US Knowledge Initiative on Agriculture Education, Research, Services and Commercial Linkages, identified the objectives of this Initiative and created the Board of the Knowledge Initiative on Agriculture (AKI) who have, after identifying areas of priority focus, agreed on Work Plan which includes:

- (i) Under Education, learning resources, curriculum development and training, building of human and institutional capacity with the objective of preparing graduates to harness science and technology for the pursuit of attaining and sustaining the ‘Evergreen Revolution’. It has been agreed that a critical mass of faculty and scientists in subject domains and need-based niche/strategic/emerging areas will be developed through post-doctoral programs, faculty exchange, trainings and workshops. These select faculty and scientists, in turn, would serve as catalysts for further change and improvement.

Mechanisms include establishing a standing Indo-US Joint Working Group, sharing the US experience in curriculum development to benefit the ongoing curriculum revision exercise in India, identifying the number of slots for training and faculty exchange during 2006 with consideration of additional slots in the coming years and organizing a range of collaborative activities such as conferences, exchange of visits and workshops. With regard to building institutional capacity, the focus will be on extension and outreach activities, library resources, networking and leadership development through sharing of experiences to take the knowledge initiative forward.

Modalities for implementation of the training and other activities were also finalized.

- (ii) Under Food-processing and Marketing, the Work Plan targets training, capacity building and joint research, including quality assurance and food safety, reduction of post harvest losses, market information systems, value addition, strengthening grades and standards, facilitation of agro-business investment, advanced processing technologies, byproduct utilization and bio-fuels from bio-mass.
 - (iii) Under Biotechnology, a strategic alliance has been envisaged for training and research on development of transgenic crops with resistance to economically important viruses, tolerance to drought, heat and salinity and micro-nutrient utilization efficiency; molecular breeding and genomics in crops and animals, molecular approaches in plants and animal health protection have been agreed.
 - (iv) Under Water Management, research and training proposals on sustainable use of water resources, water quality management and remediation, use of modern tools in water management, integrated nutrient management and precision agriculture have been decided.
2. Funding: The proposed Work Plan, which includes scholarships, exchange programmes, training and collaboration of scientists, will be supported by a financial commitment of the Governments of India and USA over a period of three years. About 40 premier agriculture research universities, many of whom already have US linkages, have been identified for the programmes-including the Indian Agricultural Research Institute, Veterinary Research Institute, Punjab Agricultural University, National Dairy Research Institute, G.B.Pant University of Agriculture and Technology, Tamil Nadu Agriculture University, University of Agricultural Sciences, Bangalore and the Haryana Agriculture University. The US partners will be identified on a competitive basis by the US Department of Agriculture with the concurrence of GOI.
3. The initiative aims at attaining excellence in agricultural education, to enhance employability of the graduates, developing human resources to fulfill commitments towards the Millennium Development Goals, and improving quality of life through sustainable rural development including innovative agricultural extension, agri-business programmes and wider participation of women. The AKI is

expected to significantly re-invigorate the US-Indian partnership in agriculture and offer a win-win situation for both the countries and will trigger benefits in perpetuity.

4. A Framework Equivalency Plan has been signed between India and the USA that outlines the fundamental requirements to allow bilateral trade of commodities treated by irradiation as phyto-sanitary measure. With this, the regulatory process for export of irradiated mangoes from India to the USA may be initiated and hopefully completed in about a year.
5. The assessment system used by APEDA for accreditation of agencies for certification of organic products has been recognized by US Department of Agriculture Marketing Services enabling export of organic agricultural products from India with effect from February 16, 2006.

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406. India–US Energy Dialogue - Fact Sheet.

New Delhi, March 2, 2006.

The India-U.S. Energy Dialogue, launched on May 31, 2005, is aimed at increased India-U.S. trade and investment in the Indian energy sector by working with the public and private sectors to further identify areas of cooperation and collaboration and build on the broad range of existing cooperation between India and the United States to mobilize secure, clean, reliable and affordable sources of energy, focusing on (i) oil and natural gas (ii) coal (iii) power and energy efficiency,(iv) new technologies and renewable Energy and (v) civil nuclear energy. Short and longer-term work plans have been formulated and several bilateral Agreements are ready to be signed or under finalisation below:

- (1) FutureGen Project : India has accepted the U.S. government's invitation to participate in the Future Gen project, an initiative to build the world's first integrated sequestration and hydrogen production research power plant. FutureGen, a billion dollar project to which India is contributing \$10M and the U.S. government and industry are responsible for funding the balance will create the world's first zero-emissions fossil fuel plant, drawing upon the best scientific talent

to pursue an innovative 'showcase' project focused on the design, construction and operation of a technically cutting-edge power plant. Indian companies are also expected to participate in the private sector segment.

- (2) India has sought membership in the Integrated Ocean Development Program (IODP), an international drilling programme for scientific deep-sea research led by Japan and the USA which aims to study, inter alia, the unknown deep biosphere by studying core samples and monitoring boreholes, an important first step towards harnessing gas hydrates as a source of energy. The National Gas Hydrate Program (NGHP) has identified specific areas in Indian deep-sea waters for conducting further geo-scientific surveys/studies. It is believed that commercial exploitation of gas hydrates may start sometime in the period 2015-2020.
- (3) ITER: ITER is a multi-billion dollar international project that seeks to make use of fusion energy for electricity production a reality. The main ITER facility will be built in Cadarache, France, and all ITER partners will participate in its construction, research and development. Pursuant to the nuclear understanding of July 18, 2005, the USA supported India's membership in ITER. India was invited on December 6, 2005 to join the initiative as a full partner by the USA, and its other ITER partners - the European Union, Russia, Japan, South Korea, and China - at the ITER negotiations meeting in Jeju, South Korea. India will join the international team that will work on this project.
- (4) In the area of Oil and Natural Gas, it has been decided:
 - To hold a Natural Gas Conference - with focus on /Coal-Bed Methane in New Delhi in April /early May 2006,
 - to hold a Natural Gas Conference in New Delhi-in early May 2006, with focus on , gas infrastructure development and operations, LNG and non-conventional gas, including coalbed methane, and gas sector regulation
 - MOU's are ready on (i) offshore drilling for gas hydrates and (ii) safety, standards, codes of practice and procedures
 - Dialogue continues on a proposed MOU between IOC and the U.S. National Renewable Energy Laboratory on hydrogen.

- Possible co-operation is being discussed in treatment of (i) residues from refineries and production and (ii) storage, safety regulation of hydrocarbons.
- *USTDA is funding an Oil and Gas Refinery Orientation Visit for nine representatives from the Indian public and private sectors to visit the U.S. in late summer 2006 to provide an introduction to U.S. expertise and equipment in downstream oil and gas manufacturing, and introduce small and medium size U.S. companies to opportunities in India*

India and the USA have just signed an MOU on exchange of Information between India and US relating to the Hydrocarbon sector

- (5) A High-level Work Plan on Coal has been prepared which provides for exchange of visits by experts – starting with
- a series of on-site studies, workshops and conferences on (i) coal beneficiation/waste coal utilization, fine coal recovery (ii) Coal Bed Methane/Coal Mine Methane resources estimation and block delineation (iii) in-situ coal gasification, (iv) prevention of overburden dump failures, (v) exploitation of reserves of steeply dipping coal seams in north eastern coalfields, (vi) mine safety – practices, training and regulatory regime.
 - Coal related information relevant to coal technologists, US coal industry partners and investors has been shared with the US side.
 - A Business Advisory Council will be established by March 31, 2006.
 - U.S. members of the India-U.S. Coal Working Advisory Group visited in January this year and agreed to have several workshops in 2006.
 - U.S. experts in coal preparation and coal liquefaction will visit India in March 2006 to discuss pilot projects with Indian coal companies. India will host the 3rd Working Group Meeting in New Delhi in the first week of April 2006 which will focus on (i) Coal reserve exploitation, (ii) washing of high ash coal, (iii) development of expertise for estimation of reserves of coal bed methane, (iv) exploitation of coal locked up due to underground fires, and (v) development of a new technology showcase project of 250-270 MW.
 - A three-day meeting of the Carbon Sequestration Leadership Forum also would be held in early April 2006.

- India and US are also finalizing an Agreement for the setting up an information center, the Coal Bed Methane (CBM) and Coal-mine Methane (CMM) 'clearing house' in India with joint funding by the U.S. Environmental Protection Agency (USEPA) and U.S. Trade Development Agency (USTDA) and Government of India.
 - An Agreement on USTDA funding of a feasibility study of alternate mining technology for Neyveli Lignite Corporation (NLC) is also under finalisation.
- (6) In the co-operation for Power and Energy Efficiency, it has been decided to:
- Hold a U.S. – India Energy Efficiency Technology Cooperation Conference on May 2-3, 2006 at New Delhi.
 - A “Clean Coal Technology Partnership” between the National Energy Technology Laboratory (NETL) of the USA and the National Thermal Power Corporation of India (NTPC) is being discussed to advance R&D in clean and efficient power generation using Indian coal.
- A Clean Coal Business Development Council is being established to expand participation of well-known service providers for R&M of old thermal plants and a conference on this theme is proposed for June 2006.
- (7) In the area of New Technology & Renewable Energy, a delegation from India led by the Ministry of Non-Conventional Energy Sources will visit the US National Renewable Energy Laboratory (NREL) in spring, 2006 to explore co-operation with the USA in (i) standards and testing of solar thermal and photovoltaic systems, (ii) development of concentrating collectors, and (iii) energy efficient buildings.
- (8) Under co-operation on civil nuclear energy, a workshop was held in January 2006 on a range of topics including best practices for nuclear power plant design, new concepts in construction, commissioning, operations, safety, life extension and regulatory oversight. The next workshop will be held later this year in the USA. The ongoing cooperation in high-energy and nuclear physics continues. With India joining the ITER project, both Governments have agreed to

correspond on establishing a mechanism for cooperation between scientists working on fusion science. Similarly, the ongoing cooperation between India's Atomic Energy Regulatory Board and the U.S. Nuclear Regulatory Commission will continue in an autonomous manner.

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407. India-US Cyber Security Forum - Fact Sheet.

New Delhi, March 2, 3006.

The India-US Cyber Security Forum was established in 2001 pursuant to a decision taken during the visit of the then Indian Prime Minister to the United States in 2001. The Forum, which grew out of our counterterrorism dialogue, is dedicated to protecting the critical infrastructure of the knowledge-based economy. Government agencies and private sector participants from India and the United States, working under the Forum's auspices, have identified risks and common concerns in cyber security and crafted an action-oriented work plan on securing networked information systems.

The Forum focuses on cyber-security, cyber-forensics and related research and works towards enhancing co-operation among law enforcement agencies on both sides in dealing with cyber crime.

CERT-In and US National Cyber Security Division will share expertise in artifact analysis (i.e. analysis of traces of virus / worm software), network traffic analysis, and exchange of information.

Defence services of both the countries will enhance their interaction through exchange of experience in organizational, technological, and procedural aspects.

Ongoing co-operation between India's STQC and the US National Institute of Standards and Technology (NIST) will expand to new areas including harmonization of standards.

CII and their US counterpart have decided to set up an India Information Sharing and Analysis Centre (ISAC) and India Anti-Bot Alliance ('bot' refers to software that can be tasked to invade computers and undertake malicious activities remotely on behalf of hackers).

The January 2006 3rd Plenary in New Delhi resulted in ambitious

action plans for the Forum's five Working Groups, which include seminars, workshops and expert level exchanges. Two additional areas of co-operation (i) transportation and (ii) financial sectors are being discussed to be included in the scope of IUSCSF – and safeguards for sub-outsourcing by India are also under discussion.

A draft Protocol on cyber security, between the NSCS and the State Department is under discussion.

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408. India-US: Health Fact Sheet.

New Delhi, March 2, 2006.

In the Joint Statement of July 18, 2005, Prime Minister Manmohan Singh and President George Bush committed our two countries to strengthen cooperation and combat HIV/AIDS at a global level. Under this initiative they agreed to expedite FDA review of generic Indian ARV drugs, collaboration in basic sciences, product development and clinical trials, establishment of a private sector capital, fund and expansion of HIV/AIDS workplace programme.

HIV/AIDS-Expedited FDA approval: Since 2005, 12 ARVs and 5 APIs have received expedited FDA approval within 3 months as compared to 1-2 years earlier (10 other applications are currently under advanced stages of FDA review). With WHO granting pre-qualification to all such FDA approved Indian drugs, they can be distributed by WHO and other UN agencies in Asia and Africa where the AIDS epidemic is raging.

COLLABORATION WITH US FDA: US supports India's plan to raise the capability of its drug approving agency to those comparable with US FDA. The introduction of Internationally accepted FDA testing standards, would lead to greater confidence and marketability of Indian drugs and foods.

HIV/AIDS-Collaborative research and product development: Institutions in the two countries have been identified for collaborative research and product development. Vaccine Development and clinical trials for new HIV/AIDS drugs are taking place in India. Two senior US researchers have been deputed by US Department of Health and Human Services (DHHS) for joint product development/clinical trials with ICMR, DBT and NACO. Joint efforts are on to develop capacities to conduct Phase III clinical

trials in India. Centres of Excellence in clinical trials are being planned in collaboration with US counterparts.

HIV/AIDS-Corporate Effort: An India-US Corporate Fund for HIV/AIDS, which is managed by GIVE Foundation and ICICI Bank has been established. President Bush has announced a contribution of US\$ 7 million to this fund. With the help of contributions from Indian and US businesses, the fund seeks to increase resources to support prevention, treatment and control of HIV/AIDS in India. CII has also established the Indian Business Trust (IBT) for expansion of HIV/AIDS workplace programmes.

PUBLIC HEALTH: India and US are also exploring opportunities to establish two Schools of Public Health in India.

AVIAN FLU: Avian Flu represents a real danger to mankind and the sides are united in their resolve to work with world institutions in preventing or mitigating a potential pandemic. India has agreed to host a regional meeting, funded and technically supported by WHO and the US on Avian Flu pandemic preparedness in New Delhi in 2006. ICMR has also agreed to host a meeting of International Partnership on Avian and Pandemic Flu in 2007. India welcomes US plans to increase its participation in the Avian Flu sector to enable US and India to work together.

COLLABORATION IN PREVENTION OF STDs AND HIV/AIDS: Prime Minister and President are pleased to note that US and India have agreed to renew for a period of five years their collaboration in this sphere, which first began in 2000.

FUTURE DIRECTIONS: Health Tourism from US to India is an area with enormous potential for collaboration. With Indian offering world-class medical care facilities at reasonable costs, the two countries could leverage Indian expertise for their economic and social benefit. India and US would continue to work on harmonization of Indian and US healthcare systems, development of specialized medical insurance and legal packages for US patients and accreditation of Indian Health Care institutions/professionals in the US.

409. “Indo-US Relations: An Agenda for the Future” - Foreign Secretary Shyam Saran’s Address to the Heritage Foundation

March 30, 2006

1. I am privileged to have this opportunity to address such a distinguished audience at the invitation of the prestigious Heritage Foundation. The Foundation enjoys the reputation as a zealous sentinel of the core values and principles that have made the United States a great nation. It is known for its passionate attachment to the heritage of freedom, to the celebration of diversity and for an enduring belief that sound policies require reasoned debate. I am given to understand that the Heritage Foundation is proud to begin its positions with the words, “We believe”. These are qualities that, what Nobel Laureate Amartya Sen, has called “the argumentative Indian”, could easily identify with.
2. India and the United States have, in the past, been referred to as ‘estranged democracies’. Today, we can declare with confidence that we are engaged democracies. How has this happened? I will not go into the familiar history of the Cold War and the various factors that prevented the emergence earlier of an enduring partnership between us despite a healthy and genuine mutual admiration. In recent years, our shared values have been strengthened by the realisation of shared interests, leading to what Prime Minister Manmohan Singh described as a congruence between principle and pragmatism. This is key to an understanding of our unfolding strategic partnership. I will attempt today to share an Indian perspective of the international backdrop to this emerging congruence.
3. India perceives the world today as one where the global agenda is being set by a constellation of nations including the United States, the EU, Russia, China, Japan and India. The United States is, and for the foreseeable future, will remain a pre-eminent power. However, no single nation can bear global burdens alone and the current international situation is characterised by the willingness of major nations to work together on issues and challenges where they perceive strong convergence. The era when global politics was a zero-sum game is now decisively behind us. Leading nations, even when they compete, have inter-dependencies and linkages amongst themselves that they ignore at their own peril.

4. A second aspect of the current global polity is that power is judged by a much broader criteria that includes economic, technological, managerial and knowledge capabilities in addition to military capabilities.
5. A third characteristic is that globalisation has thrown up challenges that are trans-national and cross-cutting in nature. They require coordinated responses. These challenges include terrorism, energy security, pandemics, natural disasters and environment degradation.
6. Finally, there is now a wide spread perception that non-state actors are an important factor to be reckoned with, and will have a particular relevance to many of the key challenges faced by the international community. In this framework, the degree of convergence of values and interests between the major nations becomes the driving force of their bilateral relationship. The transformation that has characterised Indo-US relations in recent years has been made possible precisely because these convergences have been expanding steadily, allowing us to now contemplate an agenda for our future.
7. The security convergence between two major democratic powers like the United States and India is a natural one. Its scope has been broadened by a realisation in both nations that our cooperation can not only advance our respective interests but prove beneficial to the regional and global situation as well. Whether there is the threat of terrorism or piracy, the challenge of natural calamities like tsunamis or earthquakes, the dangers of WMD proliferation or the problems of pandemics, India and the United States have been able to work together increasingly closely because they both bring important and often complementary contributions to the table. Our cooperation on tsunami relief in Asia is a case in point.
8. I hope that Americans would increasingly appreciate that when an open society like India pursues its own interests, this is more likely than not to be of benefit to the United States. The most telling example we have before us is in Afghanistan, where India is engaged in a massive development and reconstruction programme to stabilise that society. The success of our efforts in bringing electricity to Kabul or empowering Afghan women or fostering entrepreneurship and building an Afghan civil service are also all critical to the achievement of your own goals.

9. Our new defence framework is another reflection of this vision and the expansion of our military contacts and the prospects for equipment procurement and co-production are two important signs of the future direction of our ties. As our compatibility and comfort level in working together increase, our relationship will come to be viewed as a positive force in ensuring security and peace in the broader region. It will have particular value to a continent whose energies would be focussed on rapid economic growth and improving the living standards of our peoples.
10. The economic convergence between us has accelerated since the opening of the Indian economy a decade and a half ago. India's integration with the global economy created greater opportunities and prospects for Indo-US trade, investment and technology transfers. A more prosperous India with a growing middle class - already estimated at 300 million plus - will inevitably make more demands of US goods, technology and services. Accumulation of foreign exchange reserves is not viewed by us as an end objective by itself. We have also allowed our exchange rates to adjust to reflect changing economic fundamentals.
11. Our greater purchasing power has already led India to currently become the fastest growing export market for the US, rising at an estimated 30% annually. In the civil aviation sector for example, domestic liberalisation coupled with the conclusion of an Open Skies agreement, has seen massive purchases of US aircraft. The demand for industrial machinery, that already constitutes one-third of total US exports, and of high technology, is bound to increase as the Indian economy becomes more sophisticated. We are currently focussed on making major investments to modernise our infrastructure including airports, ports, railways and roads, and to ensure greater energy availability. Many of these areas are traditional American strengths and should certainly generate greater business for US companies. India is already an attractive destination for US companies and becoming more so as we further liberalise our investment policies. The profitability of foreign companies operating in India is among the highest in the world. A well-established stock market reflecting a booming economy has also become the subject of interest for American institutional investors. The point I wish to stress is that there are growing opportunities that have just begun to unfold and are likely to last for many generations. In fact, trends

indicate that the growth of agricultural prosperity in India would bring many more rural consumers into the market. The demographics of India are the clearest proof that the demand pattern would continue to grow exponentially in the future.

12. The long-term nature of our economic partnership is further strengthened by the convergence based on skills availability in India and human resource needs of the U.S. An English speaking, pluralistic society with an open economy that produces graduates by the millions and engineers, and scientists and doctors by the hundreds of thousands, will be a natural long-term partner for the United States in the era of the knowledge economy. The 2020 Report on Mapping the Global Future brought this out very graphically last year. In assessing the strength of this convergence, we have to also take into account that a pluralistic ethos and an open economy are ideal conditions for promoting the kind of creativity that is a must to sustain knowledge processes. As we look into the future and make judgements on where vital skills are best located, US security would be well served if its major partner is another democratic society like India. It goes without saying that in a competitive society like India, investments in scientific research are likely to be cost effective for US companies.
13. The decisions made today on key research and technology initiatives will help shape the nature and politics of our inter-dependent world. It is, therefore, of particular satisfaction that in areas like fusion energy, clean coal and gas hydrates, the US has supported Indian participation in international research projects. This trend is only likely to accelerate further. Indian companies are already moving up the value chain in the knowledge economy. A leading American tech-trend forecaster recently commented to the Business Week magazine that millions of engineering, business and medical graduates in India are becoming enmeshed in the global new economy in ways most people are only now beginning to fathom.
14. I find it striking that the vast majority of initiatives that we have recently undertaken with the United States are technology driven. Their impact will be far reaching and the Knowledge Initiative on Agriculture, for example, can bring about second generation reforms that would build on our heritage of the Green Revolution. Equally, I would point to the US payloads on our own Lunar Mission as an example of India's relevance to US needs.

15. Underpinning all this is the fundamental convergence in our values and ethos. We are not just democracies but societies with truly composite, assimilative and inclusive cultures. In a world where the value of an open society and an open economy is increasingly apparent, India & the United States have a particular responsibility to uphold our commitment to our shared values.
16. India and the US are also in the forefront of the global effort to meet the challenge of terrorism fuelled by intolerant and fundamentalist ideologies. Our very existence as plural and secular societies, poses the most effective challenge to such ideologies. Neither can we afford to make tactical compromises, pursuing the war on terror in either a selective or segmented manner. This is a long-term effort and we are bound together by the conviction that democracy is the best defence against terrorism.
17. In July 2005, when Prime Minister Manmohan Singh visited Washington, India and the United States agreed on a very broad range of initiatives that underlined the transformation of our ties. The visit of President Bush to India this March witnessed the further evolution of our partnership. Several initiatives announced in July 2005 were developed into concrete policy decisions; some were actually implemented, even as new areas for cooperation were identified. We succeeded in meeting the high expectations generated by the July 2005 visit and surprised observers in both countries by our ability to make major decisions in important and difficult areas. If the President and the Prime Minister expressed satisfaction at the progress that we had made, it was more than mere diplomatic ritual. Allow me to highlight some of the landmark announcements that defined the strength of our relationship:
 - Our efforts to promote economic prosperity and trade was underlined by the recommendations of the CEOs Forum contained in their first report. We agreed on an investment summit to take place in 2006 to promote FDI and expand bilateral trade.
 - In the key sector of agriculture, which lags significantly behind industry and services in its growth rate, steps were finalised to link our universities, technical institutions and businesses to enhance productivity and prepare the Indian farmer for the era of agricultural commerce. Certainly, there could be no

better signal for this than the US opening its markets to Indian mangoes.

- Our energy agenda was advanced through an agreement for Indian participation in the FutureGen clean coal near-zero emission research project, and an important international initiative on drilling for gas hydrates. Our quest for full civil nuclear energy cooperation also moved forward through the finalisation of the separation plan for India's civil nuclear energy programme that has allowed the introduction of relevant legislation to this end in the US Congress.
- The growing importance of the knowledge economy to both societies was demonstrated by the establishment of our Bi-national Science and Technology Commission, the launch of an industrial R&D initiative, progress in commercial space launch arrangements, the carriage of US payloads in an Indian lunar mission and the announcement of high-technology license exceptions for civil end users in India.
- The global character of our cooperation was reiterated through a reaffirmation of our cooperative approach on counter terrorism and defence, the conclusion of a cooperation framework to enhance security in the maritime domain, a commitment by India to participate in the Container Security Initiative, and a range of joint programmes on disaster relief, cyber security, democratic capacity building, combating HIV/AIDS and avian flu and on wildlife trafficking.

18. The issue that encapsulates all these convergences today is the prospect of resumption of full civil nuclear energy cooperation between India and the United States. This is an initiative that will determine – for good reasons – the direction of our future ties. It has a strong security rationale, as it would enable India to make a fuller contribution to global non-proliferation efforts. India has already significantly strengthened its export controls and put in place measures to effectively deter leakage of sensitive technology. This builds on an exemplary non-proliferation record of four decades and more. We have also made a commitment to refrain from transferring enrichment and reprocessing technologies to nations that do not have them, and to support international efforts to limit their spread. But India cannot be a partner and a target at the same time. If there

is an expectation that we should play a greater role, particularly in combating the twin threats of WMD proliferation and terrorism, then it is only reasonable that the energy requirements of a country with such strong credentials is recognised.

19. The economic rationale for this initiative is very compelling. Energy scarcity is the single biggest constraint on the Indian growth rate. An acceleration in India's progress will not only have dramatic anti-poverty consequences but would significantly strengthen the global economy. Rapidly increasing the civil nuclear component of our total energy mix has a particular urgency when its emission implications are taken into account. The technology rationale for our cooperation is also a powerful one. Indian scientists now have much to bring to the table, especially in areas where they have established technology leads. Even in fields like reactor refurbishment, we are extremely innovative and competitive, and our activities outside India can expedite the global revival of the nuclear industry. The issue of values is not an irrelevant one either as we need to ask ourselves whether the world would not be more secure if key technologies, operational experiences and skills reside in open societies like India.
20. I am, of course, aware that the nuclear initiative has been the subject of vigorous debate here, as it has been back home. We respect this debate, and indeed believe that our case will come out stronger after it is subjected to the rigorous scrutiny characteristic of democratic processes. I am confident that at the end of the day, it will be recognised that India has large energy needs and that its responsible record makes it a reliable partner for the United States and the international community. Some surprise has been expressed that an initiative of this ambitious nature was undertaken with such confidence. Let me underline that the nuclear initiative is a critical component, but at the same time, a natural evolution of the broader agenda that I have outlined earlier. It has been made possible only because Indo-US relations as a whole have developed so rapidly. If it is ambitious, that too reflects the larger goals that we have set for ourselves. The question has been asked why, if Indo-US relations have progressed so well, is it necessary to undertake this particular initiative. Some have argued that the relationship is doing quite well without the need to do more. May I point out that a nuclear technology denial regime has a larger restrictive implication across the entire technology spectrum. Some years ago, India faced difficulties in

procuring a super-computer even for weather forecasting because of the nuclear driven export controls. The continuation of the status quo, therefore, constitutes a major impediment to realise the full potential of our knowledge economy partnership that is so important to the future of our two countries.

21. It has been asked why India, with only 3% of its energy production currently from nuclear sources, has put so much emphasis on civil nuclear energy cooperation. This begs the question whether the present quantum and mix in energy is currently satisfactory. The answer clearly is that it is not. If the nuclear element of the present mix is limited, it is only because of restrictive technology practices. In a more open market, it may be reasonably expected that we would undertake additional nuclear power projects, as we have in other facets of energy production.
22. There have been comments that our separation plan leaves open the possibility of a massive increase in our nuclear weapons programme. I would like to remind all of you of our record of responsibility, restraint – and I would even say idealism - in this regard. We were reluctant to exercise our nuclear weapon option to begin with. Having felt compelled to do so, we remain committed to a credible minimum deterrent. If our posture so far has been one of restraint and responsibility –not disputed even by our critics – there is no reason why we should suddenly change now. Some aspersions have been cast on our technology control record. I would like to strongly underline that not only our non-proliferation record but even our export control record has been exemplary and includes the 1984 MoU with the U.S. itself.
23. Doubts have been expressed whether making an exception for India would weaken the non-proliferation system and encourage other non-nuclear states that may harbour nuclear weapon ambitions. This is a false analogy. No other state has the responsible record that India does and is denied access to civil nuclear energy technology. Surely, a serial proliferator cannot warrant the same treatment as a law-abiding and responsible nation. It is for that reason that our case for greater energy access has garnered so much support. To those who may still be weighing the merits of the nuclear understanding, I would urge them to think seriously: Does it serve global security if India remains outside the non-proliferation system? Will India's rising demands for oil and attendant implications for global oil prices help

the world economy? What would be the emission consequences of greater consumption of fossil fuels?

24. Enacting legislation to reflect policy changes is not an easy process in any polity. We, in India, appreciate that having ourselves gone through the painstaking process of creating the political consensus for the passage of export control legislation last year. In fact, additional legislative measures will have to be contemplated by the Indian Parliament to realise the full potential of civil nuclear energy cooperation. The nuclear understanding has not been without controversy in India but responding to the vision of the relationship before us, we have demonstrated the ability to make difficult decisions, in the course of extraordinarily challenging and complex negotiations. Our US interlocutors have been tough negotiators and the deal that we finalised on March 2, 2006 has been a fair one. I hope that when the Congress examines this issue, they will have before them a vision of the scope and breath of our possible relationship – one based on the congruence of principles and pragmatism that our Prime Minister has articulated – and will link that to the nuclear agreement. The remarkable progress that we have made in so many facets of our relationship in recent years makes me confident that this vision will prevail.

Thank you for your attention. I would be delighted to respond to your questions.

Question: ...Indian ambassador in Washington in an interview to India Abroad has said that India will accept no amendment...and there are indications that several United States Congressmen want some changes...

Foreign Secretary Shyam Saran: Well as I mentioned that the understanding that we have reached between India and United States has been a result of painstaking and complex negotiations so the understanding is a rather carefully balanced one and it is a rather delicate balance and therefore it stands to reason that whatever legislative change that is contemplated, should be lying within the parameters of that understanding. As long as that legislation is within the bounds of that understanding I think we will have no problem, but it is really a hypothetical question at the moment because we will have to wait and see what precisely is the legislative change that has been brought about after it has been considered by the Congress

Question: Many countries have shared at least some of India's concerns and reservations about the Nuclear Proliferation Treaty and if you recall at the Nuclear Proliferation Treaty review conference a month ago, a number of Non Governmental Organizations share some of India's concerns, my question is if you are looking into the crystal ball tell us what more is there as a result of what is now being done between India and United States, India and France, between United States and NSG in this regard? What hope is there that a discriminatory treaty like Nuclear Test Ban Treaty will eventually be buried or at least a mandate in the long run will take into account some of India's reservations?

Foreign Secretary Shyam Saran: I don't think we are in the business of being undertakers for any treaty involved or any agreement. I think it is important to make a distinction between our problem with the Nuclear Proliferation Treaty as a treaty and the concept of non proliferation. I think people forget that India was one of the original sponsors of the negotiation on non proliferation and the reason why India didn't eventually sign the Nuclear Proliferation Treaty was because we felt that while concrete commitments were being imposed on non nuclear weapon states there was no such commitment to nuclear disarmament on the part of nuclear weapon states. It was a rather vague and an open ended one and it has always been our position that the cause of non proliferation will be better served if there was a balance of obligations.

So as far as the concept of non proliferation is concerned India has always been in a sense in the nonproliferation mainstream. Although it didn't sign the Nuclear Proliferation Treaty, but India has always been very careful as well not to rubbish the non proliferation treaty. We have our reservations on the nature of the treaty but we have never rubbished the treaty either looking at the kinds of changes taking place at this time or will take place as a result of the understanding between India and the United States. Let us see where it takes us. Whether this is conveyed to a broader and a newer international consensus on non proliferation, we believe that such an international consensus is perhaps overdue.

Question: I was hoping you might respond to a critics' claim that Congress is being asked to consider a deal that has not being completely settled.

Foreign Secretary Shyam Saran: I think if you look at the detailed separation plan which India has provided after a very difficult and complex

negotiation with the United States side I am not quite sure what is going to be done, unless there is a change of law in the United States which makes it possible for India and United States to engage in energy cooperation then we can't proceed further ahead. Of course that cooperation will be subject to India's negotiation and India specific safeguards agreement with the IAEA which we will have to do and that is something which is clearly understood by both sides. We also know that if there has to be a broad international cooperation between India and the international community in civil nuclear energy cooperation then there will have to be an adjustment of the NSG guidelines and I think on both these fronts there is considerable amount of activity taking place. These will have to move in tandem

Question: There is a provision in the legislation which the Bush administration sent up to the hill which says that India has to permanently forego future nuclear weapons testing or United States - India nuclear trade will be curtailed. My question: is that something the Indian government had signed onto? As part of the agreement have you agreed to never again test nuclear weapons?

Foreign Secretary Shyam Saran: As you know, the July 18th joint statement has a clear provision that India will continue to maintain its moratorium on nuclear tests. That is part of United States law - that if there is a state which is exploding a nuclear device then that will trigger off an end to cooperation with that country. As part of United States law that is fine. It is not part of Indo-United States treaty core understanding

Question: Yesterday some of the Congressmen and Senators, as well as the state department officials, had given views about the nuclear cooperation. Viewing these things it gives us an impression that this is a very long term process to solve this issue and time frame given to any suggestions when it can happen. I think the way the lawmakers express the reason as well as the state department officials it seems it is a very very long process.

Foreign Secretary Shyam Saran: I think as I stated in my own opening remarks that we come from a democracy and we have seen in India itself how much debate and controversy there has been on this issue and we are not at all surprised that there would be debate and the doubt should be expressed and clarification should be sought. In another great democracy the implied thing for us is that we believe that they do have answers, very satisfactory answers to many of the reservations and many of the questions that have been raised and if people look at this particular

agreement in the larger context of India - United States relations, and that is why I spelt out for you the very broad ranging partnership that is evolving between India and United States, because it is only in terms of that broad evolving partnership that this agreement makes sense. If you take it out of context then perhaps it will give rise to certain misgivings and doubts but the agreement itself has become possible essentially because there is a broad ranging strategic partnership which is evolving between the two countries and the other point I would like to make is this is not something which is a sudden and a kind of a rabbit out of the hat agreement, it is the culmination of a process which began several years ago, straddling both Democratic as well as Republican administration. It is a culmination of efforts made across the political spectrum both in India as well as United States. I think the fact that it has been a process supported by virtually the entire political spectrum in both the countries testifies to the strength of the relationship and testifies to the great potential of the relationship

Question: If this agreement is not ratified how big a shock will this be on a broader Indian - United States partnership?

Foreign Secretary Shyam Saran: Well I don't think that it is really necessary for us to already start predicting its demise. We have the sense that in Washington amongst the Congressmen there is a very, very broad support for India - United States partnership. I think if that aspect of India - United States partnership is kept in view there is no reason why this agreement can't go through. But actually there is a very broad ranging relationship between the two countries. If it doesn't go through it doesn't mean that everything else will fall by the way side. We must also recognize that for good reason or bad there is an intense focus on this particular agreement. Look at today I have talked about many other aspects of India - United States relations but every question I have been fielding has been on the nuclear issue, therefore whether related or not this has become symbolic of what we want to do with Indo - United States relationship. Therefore, if this particular agreement doesn't go through there is no doubt that there will be, in international terms of the expectation that have been created and in terms of the enthusiasm that has been created, there will be some falling back.

Question: You have been to Dharamsala lately and seat of the Dalai Lama's Tibetan Government. Does that mean your Government's policy towards Dalai Lama has been changing...?

Foreign Secretary Shyam Saran: I am not aware of any change in government of India's policy on Tibet. We have taken a consistent position for a very long time that Tibet is an autonomous region of the People's Republic of China. But we respect the Dalai Lama as a very important religious figure and a very highly respected figure. There is a reality that the Dalai Lama is in India and that there is a large Tibetan community in India and for historical reasons the welfare of the Dalai Lama and the Tibetan community is handled by the External Affairs Ministry of the Government of India of which I am the Civil Service head, so my visit to Dharamsala was essentially in that capacity.

Question: As you know one of the big criticisms that a lot of people have here, or disagreements, is the fear that the Civil Nuclear Energy Cooperation will allow India to greatly accelerate its nuclear weapons production. What assurances have you given/ can you give the American public that India will not rapidly accelerate its weapons production? I realize that the government has the policy of minimal deterrence but this frankly doesn't have a lot of resonance here, people really don't know what it means.

Foreign Secretary Shyam Saran: Number one, I think it should be recognized that the deal with United States is about Civilian Nuclear Energy Cooperation. It is not about India's strategic program. About nuclear weapons however - we recognize as India that if our partners engage with us in Civilian Nuclear Energy Cooperation they have legitimate expectations that whatever technology comes to India as a part of this cooperation, should not leak to other countries. There should be very strong export controls. That assurance we are prepared to give and we have already given in terms of the very comprehensive export control legislation that we adopted last year. We have also harmonized our export control list with the NSG and MTCI.

Second expectation is that if a partner is engaging with us in cooperation, that should not in anyway advance our strategic program, and if we have a need for separation between our civilian and strategic program its because of this reason. Because we have to take action in order to give an assurance to our partners that whatever they do with us in the civil nuclear energy field will not have any kind of impact as far as our strategic program is concerned, that we have already provided as part and parcel of this agreement.

Now as to whether or not India will engage in a nuclear arms race. Frankly this has no connection with the strategic program. I have also stated that for a very long time India's record in this aspect has not been one of

restraint but has been one of responsibility. We have not indulged in a nuclear arms race. There is no reason why it should be expected that merely because we have an agreement on Civil Nuclear Energy Cooperation that suddenly the floodgates will be opened by India for larger and larger nuclear weapons. That is certainly not how we see our intention. It must also not be forgotten that India's direction on nuclear disarmament, infiltration of nuclear weapons hasn't changed, for example, with respect to non-proliferation, we continue to believe that the most effective non proliferation measure would be total elimination of nuclear weapons all together.

We have felt that in respect of another category of weapons of mass destruction, that is, chemical weapons, we need to arrive at negotiations to a multilateral non discriminatory international instrument for the cessation of the production use of chemical weapons. We are prepared to enter negotiations for a similar instrument at the conference on disarmament. In fact, we are one of the strong supporters of commencement of negotiations of nuclear disarmament in Geneva. If that is our stand and yet we have said we will have a policy of non-first use, for example, we have for many years advocated a convention on the non use of nuclear weapons and outlawing the use of nuclear weapons. I think you could look at the record. Therefore there is really no reason for anyone to believe that merely because India and United States are going to engage in Civil Nuclear Energy Cooperation that it is going to mean that this is going to lead to an arms race.

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410. Press Conference by Foreign Secretary Shyam Saran at the Embassy of India.

Washington (D.C), March 31, 2006.

Foreign Secretary Shyam Saran: Thank you very much and Good Afternoon to all of you. I have had a very productive three days in Washington. The main objective for my visit to Washington was to follow up on President Bush's extremely successful visit to India this month. Of course the civil nuclear agreement was one of the important subjects that I had to take up, but in addition to that, there are a number of other areas where we need to take our relationship forward and in that connection I would like to mention that I had meetings this morning with the Under

Secretary of the Department of Commerce, Mr. McCormick. As you know, with him, I head the High Technology Co-operation Group. We also talked about the economic dialogue between our two countries. Also the plans for holding a United States – India Investment Summit later on during the year, probably towards the end of the year.

I also had a meeting with Mr. David Garman, who is the Undersecretary in the Department of Energy. As you know, in addition to the Civil Nuclear Energy Cooperation agreement, we have a very broad ranging cooperation in the energy field. We have agreed, for example, to be partners in the Future-gen Project which is a research project devoted to creating technology for a zero emission, cold based thermal plant. We are talking about the exploitation of gas hydrates in off shore areas. We are looking at heat/cold technology. We are also talking about the sub fuel areas like the hydrogen fueled economy. So there is a very broad ranging energy relationship that is developing between the two countries and one of the very important objectives of this visit was to try and take that forward. At the Department of State as you know, I had two or three important sessions with my counterpart Mr. Nicholas Burns. There was also a meeting with Secretary of State, Condoleezza Rice.

In these meetings we of course took stock of where we were, especially with regards to the Civil Nuclear Energy Agreement. I was given an assessment by my U.S. interlocutors as to what is the current state of play after the legislation has been now put on the table in the office in the congress. A general sense that was given to me was that in the United States Congress there was great and wide spread support involving India and United States partnership. There is very strong support for the economic relationship as well as the science and technology relationship and the energy relationship. As far as the concerns that are there, they relate to, as we know, to the non proliferation idea; Whether or not this agreement would in any way undermine the objective of non proliferation. So, we took stock of where we were with regards to Civil Nuclear Energy Cooperation Agreement. We have also been provided a draft of the Civil Nuclear Energy agreement, the bilateral agreement and that of course will require further examination on our part. We will be engaging in negotiations on that at an appropriate time.

Taking the assessment from the administration, yesterday I spent most of the time on the hill and met a number of Congressmen. These meetings were extremely useful. The meetings included Chairman Henry

Hide of the House International Relations Committee, Senator Joseph Biden who is the ranking democrat in the Senate Foreign Relations Committee, representative Tom Lantos who is the ranking democrat on the house side, Senator Obama who is also on the Foreign Relations Committee and Congressman Ackerman, Wilson and Eni Faleomavaega. In all these meetings again what really impressed me was as the administration has pointed out to us that there is very strong support for the India - United States partnership. All the Congressmen I met said that they saw a great future in the India - United States relationship. They were very excited about the progress that has already been made. They were very impressed by the very broad ranging relationship which is emerging and they were very pleasantly surprised at how quickly transformation in the relationship has come about. So this was a running theme in virtually every meeting that I had at Capitol Hill.

There was a point made: While everyone recognizes the importance of this Civil Nuclear Energy deal, there should be a debate about the various aspects of this proposed agreement. I pointed out that it was quite normal to have a debate on such an important issue. I also conveyed to them that I had just come from India where, in fact, a very intense debate has been raging over this agreement for the past several weeks. So we are not surprised that there is debate and we are not surprised that there are questions that may be raised, clarifications which may be sought. But the most important thing is that we believe that we have very satisfactory answers to the questions that have been raised or the other concerns that have been expressed. So after these meetings, I feel very encouraged that once this agreement goes through in a sense of debate and discussion what will actually emerge is a much stronger support for this initiative.

Some people refer to the fact that this seems to be quite a major departure in our relationship, and I pointed out the fact that there are several major departures in our relationship. This was just one of the other major departures. I also pointed out that in looking at this agreement, we should put it in the context of the overall India – United States relationship, and I think that just this aspect was appreciated by all the interlocutors whom I met.

So all in all, this has been a very productive visit, as I said, and I go back with a much better sense of where we stand on the agreement. I also had an opportunity to touch base with my other interlocutors on some other very important aspects of our relationship, as I mentioned to you, on the

energy side, on the economic and commercial side, and in the coming months we will see very great things happening in the bilateral relationship. Thank you very much.

Question: You met Mr. Henry Hyde and Tom Lantos, and Mr. Hyde is someone, while introducing the deal on behalf of the president has said that he may have to have certain possible conditions, and your diplomatic vis a vis has said that the ideas are fine if they could strengthen the agreement. If you could speak to that, what Mr. Hyde gave you a sense of what these ideas are, you did say that you were encouraged and also Mr. Lantos's continuing conversation on Iran. On the Senate side you met with two of the Democrats, two of the Democrats who could probably make a difference, but none of the Democrats have still co-sponsored the legislation, it has been just a few Republicans, if that's the kind of sense got from Barrack Obama and Joe Biden.

Foreign Secretary Shyam Saran: That's a tall order. I think I am lost somewhere. First of all, let me say that none of the meetings I went into a negotiation war, in the sense that this, unless this is researched it will not receive support, or this particular aspect should be added. Nobody in fact referred to that. What people did say was that they attached great importance to India – United States relationship. They also appreciate that this particular agreement is very important. But they have some concerns. Those concerns relate to for example non proliferation. What would it do to the non proliferation regime? In some cases there was a sense: Does this mean that India's strategic program will somehow get a boost? So there were general concerns of this kind expressed. Nobody mentioned to me that they were contemplating any amendments or contemplating improvements. They did say that this is something that is important and requires debate, which I conceded immediately, because I think that in democracies there should be debate. As far as those concerns that have been raised, I gave them our perspective. I do not believe that this undermines in anyway our goal of promoting non proliferation. I pointed out India's long standing record of restraint, of responsibility and therefore, there should not be any apprehensions of this kind.

I would also like to mention that these are early days yet. Whether or not there would be co-sponsors from the democratic side or not, I think results we have is - yes, there would be, as we go further into the debate.

Question: And did you Lantos's concerns on Iran?

Foreign Secretary Shyam Saran: The concern expressed is about the visit to one of the Southern Indian Ports, and somehow, somebody has given the impression that India has engaged in training Iranian Navy, or there was some exercise which took place, which was completely misleading. This was one of several courtesy visits which take place from countries all over the globe. This was an Iranian naval training ship which made a port call which is a very normal activity, and so I, so I pointed out to Mr. Lantos that such apprehensions were completely misplaced.

Question: Also about Iran. Was there any concern raised by members of Congress or the Indian Administration about energy links between India and Iran? Never came up?

Foreign Secretary Shyam Saran: They never came up in the discussions I had.

Question: India applied for membership to the Nuclear Suppliers Group (NSG) more than a year ago and subsequently there was a visit by NSG Troika to Delhi sometime at the end of 2004. At what stage is this application?

Foreign Secretary Shyam Saran: There is no application from India to join the NSG

Question: But the visits of the Troika...

Foreign Secretary Shyam Saran: We have been having visits from the Troika for the informal exchange of views, but that doesn't lead to our applying to the NSG.

Question: This debate on the nuclear agreement here in United States, seems to also be getting mired in the domestic political debate. Congressmen are looking to the Congressional re-election this year, and the Democrats are looking at candidates for 2008. Supposing this drags on, what kind of time frame is India thinking of stretching towards United States Congress legislation on the nuclear deal and assuming that it is not ratified, how does that impact the bilateral relationship which is strengthening right now?

Foreign Secretary Shyam Saran: As I mentioned to you, whether it was a Congressman from the Democratic side, or the Republican side, across the political spectrum here, there is very strong support for the India - United States partnership. Even with regard to the Civil Nuclear

Energy co-operation agreement. I also pointed out to some of my interlocutors that this was not something which had been sort of just pulled out as a rabbit out of a hat. This is really the culmination of a process which has straddled both Democratic as well as Republican administrations. So there is ownership of this process by both the parties. I think that we feel this particular bi-partisan consensus which is behind the India – United States partnership is something that will also apply to the Civil Nuclear Energy Agreement. And I have also pointed out to my interlocutors that the Indo United States Nuclear Agreement should be seen as part and parcel of the much larger relationship which has developed between the two countries. It should not be taken out in isolation. So I am encouraged by the fact that there is such strong support on both sides for developing this relationship, and I see no reason why only the Civil Nuclear deal should be a casualty in terms of parties and politics. With regard to the timeline, obviously we would like this to be done as quickly as possible, but I have no means of knowing how the political processes here will work themselves out, so let us remain optimistic and hope that this will happen as early as possible.

Lastly, what would happen if this does not go through? As I think I pointed out in the talk that I gave to the Heritage Foundation, that the India - United States relationship is very broad. It encompasses many areas of interaction in which considerable progress is already being made, so if this deal does not come through it is not as if everything else will fall by the wayside, but there is not doubt about the fact that because of the intense focus on this agreement, and because it has sort of come to symbolize the new partnership between India and the United States, obviously if it does not go through, there will be a loss in terms of the expectations which have been built up, the kind of enthusiasm which has been built up. There will be a loss. We should be cognoscent of that.

Question: I believe India has the bragging rights in Washington for having the largest caucus of some 180 lawmakers. Isn't it astonishing that so few lawmakers have come forward to support this thing, even from the India caucus? Particularly after you have mentioned that this is the child of two administrations which has come through after several years of discussion – It's almost as if nobody wants to be associated with this. Why is that?

Foreign Secretary Shyam Saran: Number one, I don't have that impression that nobody wants to be associated with this deal. I think that

we have to meet with the members of the caucus and explain to them the importance of this deal, and I see no reason why we cannot mobilize enough support for this deal. So we are working on them. My visits have been part of that process, so give us time.

Question: You said that debate should be encouraged on this nuclear deal, but both sides effectively have closed the doors to any revamping of the frame of the agreement which they say is very complexly built in a very compact space.

Foreign Secretary Shyam Saran: Yes that's true. I have already pointed out that what we have right now has emerged from exceedingly complex and tough negotiations. Therefore there is a very, very delicate state of balance. Now if you start making revisions and changes that balance is likely to be offset. So considering the fact that so much time and energy has been spent in reaching this point, I think that should be appreciated and the concerns which have been expressed in the congress, if those concerns are successfully met and answered, I think the deal should go ahead as it is.

Question: You did say that your visit here was very productive and from here on the debates and discussions are only going to be intensified. Now do you think that there would be a possibility of you having to come back again and speak with people on the Hill to clarify any further doubts that might come up as these debates go on, or are you fairly...?

Foreign Secretary Shyam Saran: I like coming to Washington so... (Laughter). We will wait and see. I would not like to say that another round is necessary. If it is necessary, and if I feel that it will be useful for me to come again, I will.

Question: I am sure you are aware that the Pentagon recently completed a mass review called the Quadrennial Defense Review and then just a few weeks ago White House put out the National Security Strategy. Both these documents referred to "countries at a strategic crossroad" and they include India in that category of countries, and Russia and China being the other two. They also make the statement that the United States can shape the choice of these countries. I am wondering whether you agree with the notion that the United States can "shape the strategies" of countries like India.

Foreign Secretary Shyam Saran: Well let me say categorically that the only country that will shape India's strategy is India itself. However, we

do believe that choices that India will make or actions that India will take in its own best interest, given its own assessment of the global situation will in certain cases be in certain cases, convergent to the United States interest. Now in those areas, we can work together. But inevitably there will be areas where interests are differences in perception, but that is normal. But in balance it would appear that there are greater areas of convergence emerging between the two sides and we can work together on those areas.

Question: What is your overall sense about the concerns and misgivings of lawmakers ? Is it psychological or is it focused more on specific details?

Foreign Secretary Shyam Saran: No specific details were mentioned. As I said, the focus was on non proliferation. That there is a global non proliferation regime and it has been an article of the faith for the United States to support that regime all these years, and would this agreement in some way or other undermine that regime. That is one of the most important concerns. And the second is whether or not this agreement would in some way would lead to expansion of India's nuclear weapons program in a manner that might have other implications.

Question: There are concerns, but these concerns could possibly turn round into conditions. One gets that impression from speaking to the lawmakers from both Senate and Congress. In that scenario, would the Government of India be willing to compromise and reconsider, or would you stick to the original draft of the agreement?

Foreign Secretary Shyam Saran: As I mentioned time and again, what has emerged out of these negotiations has been a very delicate balance. We have been through extraordinarily difficult and complex agreements, I should know, because I have been involved in these negotiations, and therefore I would very strongly hope that that balance is not disturbed.

Thank you very much ladies and gentlemen.

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411. Media briefing by Official Spokesperson on the visit of the U. S Assistant Secretary of State Richard Boucher.

New Delhi, April 7, 2006.

- Richard Boucher, Assistant Secretary for South and Central Asia in the US State Department is currently on an official visit to India.
- He has held talks on Indo-US bilateral relations with Dr. S. Jaishankar, Joint Secretary (AMS) in the Ministry of External Affairs. There was also an exchange on regional issues over lunch with Joint Secretaries heading the Northern, Eurasia, PAI and BSM Divisions.
- The Assistant Secretary called on the Foreign Secretary and had an exchange of views on the current consideration of India-US nuclear cooperation in the US Congress. They also reviewed progress in other important areas of cooperation between the two countries as a follow-up to President Bush's landmark visit to India in March this year.

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412. Response of Official Spokesperson to a question regarding a statement by US Assistant Secretary of State Richard Boucher.

New Delhi, April 8, 2006.

Our attention has been drawn to a speech by the visiting US Assistant Secretary for South and Central Asian Affairs, Richard Boucher, who is quoted as stating that "we have pushed for India to further define its 'minimum¹ credible deterrent'."

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1. The US Assistant Secretary while speaking at the meeting organized by the Confederation of Indian Industry (CII) wanted India to "further define its minimum credible deterrence." At the Congressional hearing in Washington on April 5, Secretary of State Condoleezza Rice noted that "the Indian strategic programme is more a factor of the military and political factors which India confronts". On April 8 itself Foreign Secretary told a TV channel (NDTV); "What our credible minimum deterrent would be is really for India to decide" and added that India had on various occasions pointed out this to the US. "Certainly there is no responsibility on part of India to declare what its minimum deterrent is," he said. He further clarified that when Mr. Boucher met him on April 7 he did not raise this issue with him. "We have

Credible minimum deterrent is a self-explanatory term that requires no further elucidation. It reflects our response to a dynamic and changing security environment. We note that at a recent US Congressional hearing, US Secretary of State Rice herself noted that the Indian strategic programme is more a factor of the military and political factors which India confronts².”

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a strategic dialogue with the US where we have agreed to exchange views on our respective nuclear doctrines as well as issues like missile defence”, Mr. Saran said. On the Bush Administration’s contention that it was pushing India and Pakistan for moratorium on missile tests, Mr. Saran said New Delhi’s position was that it would work with Washington in the Conference on Disarmament in Geneva on a multilateral Fissile Material Cut-off Treaty. (Please see Document No. 530) “We are prepared to take part in these negotiations,” Mr. Saran added. He however, made it clear that FMCT India was talking about was a multilateral instrument. “What we have committed to is very apparent in the July 18 (2005) joint statement where we have said that India will continue its moratorium on nuclear testing.....there is nothing legally binding. But it is a fact that there is a US law which is of a long-standing nature, which says that US will be obliged to stop all cooperation with a country which explodes a nuclear explosive device,” he said. He clarified that this was part of the US law and “has nothing to do with the initiative which is being negotiated with India.”

2. On the same day in Washington Kapil Sibal Minister for Science and Technology asserted that US acceptance of India’s nuclear separation plan was “a recognition of our security concerns.” He said the designation of 22 nuclear reactors for military purposes thus out of IAEA ambit was to meet “security needs”. The India – US civilian nuclear initiative was “neither about non-proliferation nor proliferation, it is simply about helping India overcome its energy needs for peaceful purposes,” he said. “If our record as being a country outside the NPT is better than the record of countries that are part of the NPT, I don’t see how anybody can object to our being concerned about our security,” Mr. Sibal said, adding “just as we understand the security concerns of the US, so does Washington realize India’s security needs.”

413. Clarification provided by Official Spokesperson to the media report that India would sign an agreement with USA on ‘no further nuclear testing’.

New Delhi, April 17, 2006.

Question: It has been reported that India is having an agreement with the US on ‘no further nuclear testing’...

Official Spokesperson: You are referring to the Telegraph report? As far as that is concerned let me clarify the position. USA has shared with India some weeks ago a preliminary draft Agreement¹ on the Indo-US civil nuclear cooperation under article 123 of the US Atomic Energy Act. Among the elements suggested by the United States there is a reference to cooperation being discontinued were India to detonate a nuclear explosive device. In the preliminary discussions on these elements so far India has already conveyed to the United States that such a provision has no place in the proposed bilateral agreement and that India is bound only by what is contained in the July 18 Joint Statement, that is continuing its commitment to a unilateral moratorium on nuclear testing. India’s position on CTBT, that you mentioned, is well known and continues to remain valid.

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1. According to media report the US had handed over to the Foreign Secretary draft of an agreement which inter alia included a clause stating that the United States would cease all cooperation with India in civilian nuclear energy if India decided to detonate a nuclear explosive device. The relevant clause No 11 read: “If India at any time, following entry into force of this agreement detonates a nuclear explosive device, the US will have the same rights as specified in Paragraph 1.” And this explained that the US “shall have the rights to cease further cooperation” with India if New Delhi violated its commitments.

414. Joint Press Statement on the 7th Meeting of the India - U.S. Joint Working Group on Counterterrorism.

Washington (D.C), April 20, 2006.

The 7th meeting of the India-US Joint Working Group on Counterterrorism, which was established in 2000, was held in Washington on April 19-20, 2006. The Indian delegation was led by Ambassador K.C. Singh, Additional Secretary (International Organizations), Ministry of External Affairs, Government of India, The U.S. delegation was led by Ambassador Henry Crumpton, Coordinator for Counterterrorism, Department of State.

The discussions advanced US-India cooperation in areas of common concern such as bioterrorism, aviation security, advancements in biometrics, cyber-security and terrorism, WMD-terrorism, terrorist finance and money laundering and violent extremism. Both sides agreed to share information on a real time basis, respond to counterterrorism assistance requests expeditiously and collaborate to upgrade preparedness and capability to deal with acts of terrorism.

Joint counterterrorism exercises will be scheduled and specific training programs in priority areas developed. The delegations also focused on improving the current mechanisms for extradition and legal cooperation.

The two sides agreed that the next session of the Joint Working Group would be held in New Delhi later this year.

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415. Press Report of Foreign Secretary Shyam Saran's briefing after his meeting with the U. S. Under Secretary of State Nicholas Burns on the question of Civilian Nuclear Energy agreement with the United States.

London, May 25, 2006.

Foreign Secretary Shyam Saran acknowledged that the India – US civilian nuclear deal is taking longer than New Delhi would have liked but said that the outlook was “positive”. Speaking to media persons after discussions with U. S. Under Secretary of State Nicholas Burns in London on May 25, Shyam Saran said that there was still work to be done. He suggested that India had done its bit and the ball was in the U. S. court now.

Asked whether there was concern in India that the deal was taking too long to be approved by the American Congress, Mr. Saran said the “worry” was on both sides. Both were keen on seeing it through as quickly as possible and in fact, India had done most of the work it was obliged to do as part of the agreement. Mr. Saran said it was now for the U. S. Congress to approve the deal and reiterated, in response to a question, that it was the “responsibility” of the U. S. government to make sure that it was approved by Congress.

He said Mr. Burns gave him an account of where the process now stood in Congress. “Our sense is that while work still remains to be done, the outlook is positive,” he added, pointing that both sides saw the “merit” of wrapping up the deal quickly. Asked whether India had a timeframe in mind, Mr. Saran said he wished it was in “our” hands to do it. He emphasized that the U. S. Government was committed to the deal and the efforts was now on to see that the necessary legislation¹ was adopted by Congress “sooner than later”. There was a “general perception” on both sides that they were on track. Mr. Saran said that he gave to Mr. Burns India’s own draft on bilateral nuclear cooperation but did not give details. Other issues that came up for discussion included Iran, Sri Lanka, and the situation in Nepal. On Iran, Mr. Saran said India wanted the controversy over Tehran’s nuclear programme to be settled through diplomatic means and warned that a confrontation would have “disastrous consequences”.

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1. Meanwhile IAEA chief El Baradei hailed India – US nuclear deal as a “win-win” proposition and expressed the hope that the Congress will see it way to approve it. “We have a number of very important issues on our agenda, ranging from making sure that India become a partner in the non-proliferation framework. To me, this is a win-win agreement and I hope it will be also for the Congress.” This came up in the discussions between El Baradei and Condoleezza Rice in Washington. Ms. Rice who confirmed the discussions said “we have also talked about the U.S. – India deal and Dr. El Baradei has been very supportive—not because he is trying to intervene in U. S. - India relations, but as we have talked about it because we need to broaden our concept of non-proliferation regime to deal with such anomalies like the Indian situation.”

416. Response of Official Spokesperson to questions on US readiness to join in the dialogue between EU-3 and Iran.**New Delhi, June 1, 2006.**

India has all along advocated that issues relating to Iran's nuclear programme ought to be resolved through dialogue and that confrontation should be avoided. Against this background, the readiness of the US to join in the dialogue between EU-3 and Iran, which India has all along supported, is to be welcomed.

We believe that with all sides displaying flexibility and adopting a constructive and forward looking approach, the on-going diplomatic efforts should reach successful conclusion.

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417. Response of Official Spokesperson to a question on US State Department's Report on Trafficking in Persons.**New Delhi, June 6, 2006.**

Government's attention has been drawn to the US State Department's Report on Trafficking in Persons, which has placed India in the Tier 2 Watch List.

The US has a practice of issuing global reports on a wide variety of subjects, from human rights and religious freedom, to narcotics and trafficking in persons. Such reports are, by their very nature based on US viewpoints and preconceptions. On the subject of trafficking in persons, as with other areas, we reject judgemental and prescriptive approach by a foreign Government.

India and the United States have an ongoing dialogue on the subject of trafficking in persons and other trans-national challenges. These subjects are also discussed in the Global Issues Forum. The approach of the 2006 Report does not reflect the active cooperation on this subject between the two countries. It certainly is not helpful to furthering our dialogue in that regard.

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418. Response of Official Spokesperson to questions on talks with the US on Civil Nuclear Cooperation.

New Delhi, June 15, 2006.

Question: Talks between India and US concluded yesterday. What was the result?

Official Spokesperson: Yes, the talks were held for three days. Let me give you the framework of these discussions. If you recall, Foreign Secretary had met his counterpart Nicholas Burns in London in end-May 2006 for a review of progress in finalizing the Indo-US Civil Nuclear Cooperation Agreement. The Indian side had also provided its counter-draft of the "123 Agreement" or the bilateral agreement on peaceful uses of nuclear energy, for consideration of the US side. This was in response to an initial draft text that had been handed over to the Indian side, during Foreign Secretary's earlier visit to Washington in March 2006.

The Indian counter-draft takes as its starting point, the Indo-US Joint Statement of July 18, 2006 and the elements contained in India's Separation Plan, which was laid on the table of the Houses of Parliament on May 11.

Foreign Secretary and Mr. Burns had agreed in London that a US negotiating team would visit India at an early date in order to carry forward our negotiations on the draft with a view to achieving an agreed text. This would enable the two sides to conclude the "123 Agreement" once the US Congress has passed appropriate legislation enabling full civilian nuclear energy cooperation between India and the US.

The two negotiating teams held intensive discussions over three days, from June 12-14, 2006 and were able to narrow their differences on a number of draft provisions of the proposed agreement. As a result of their detailed discussions, the officials of the two sides now have a much better appreciation of their respective legal and political positions. Pending issues will now require internal consultations on both sides with a view to jointly formulating a draft which meets with the approval of both sides.

The two sides have agreed to meet at an early date once their follow-up internal consultations have been completed.

It may be mentioned that the two sides covered a range of issues in their discussions in a forward looking and constructive spirit. The progress we have achieved so far makes us confident that we would be able to

arrive at a text that conforms to our well-known positions, which are reflected in the July 18 Joint Statement and in India's Separation Plan.

Question: Since you talked of political issues, was there any sense of when the Congress is going to bring any statement or legislation...

Official Spokesperson: That is a matter of the US Congress and its own dynamics. I was talking of the political and legal issues involved in the draft 123 Agreement.

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419. India - US Joint Statement following the third Ministerial level meeting of the Trade Policy Forum.

Washington (D.C), June 22, 2006.

India's Minister of Commerce and Industry Kamal Nath and U.S. Trade Representative Susan C. Schwab met for the third Ministerial-level meeting of the U.S.-India Trade Policy Forum (TPF). Minister Nath and Ambassador Schwab agreed on a number of initiatives to strengthen and deepen the bilateral trading relationship. With India already among the United States' fastest growing major bilateral trade relationships, the cooperative steps endorsed today will serve to further trade and investment, with the goal of doubling two-way trade in three years. They also discussed the Doha negotiations, agreeing that the U.S. and India share a commitment to conclude a successful, far reaching Doha Round by the end of 2006.

"Under the Trade Policy Forum we continue to make steady progress on key issues to improve the bilateral trade and investment climate," said Ambassador Schwab. "We remain committed to doubling bilateral trade over the next three years, and improving the regulatory, customs and intellectual property protection climate is key."

Minister Nath said, "The Trade Policy Forum has, within a short time emerged as a very effective forum for the two sides to enhance bilateral trade and investment. It was encouraging to see both sides engaged in intensive discussions at the expert level on a variety of issues of mutual interest."

The United States and India agreed to a number of actions, including:

- | Cooperation on an action plan and technical assistance to promote innovation, creativity and technological advancement by providing a vibrant intellectual property rights regime;
- | Initiation of a Bilateral Infrastructure Investment Program that will focus on identifying investment opportunities, incentives and challenges in key infrastructural sectors;
- | Various steps to address several sanitary and phytosanitary (SPS) issues including Indian mango exports to the United States and U.S. almond, wax covered fruit and wheat exports to India;
- | Progress toward selecting participants for a working group on legal services to discuss market access and other relevant issues;
- | Continued discussions on tariff structures to facilitate wine and spirits trade as well as discussions on emissions standards for large motorcycles; and
- | The creation of a senior-level private sector adjunct to the Trade Policy Forum that will provide strategic direction, input and support to the TPF.

BACKGROUND

The US-India Trade Policy Forum is an institutional arrangement between the two governments to discuss trade and investment issues. The Trade Policy Forum (TPF) was launched during the visit of Indian Prime Minister Dr. Manmohan Singh to Washington, DC, in July 2005. The inaugural, ministerial session of the Forum was held in November 2005 in New Delhi, the second session was in February 2006 in Washington, DC. Additional meetings at the Deputy level were held in March 2006 in New Delhi and again when Deputy USTR Karan Bhatia led a 25 member US Government delegation to New Delhi on May 30, 2006.

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420. Response of Official Spokesperson to a question on US Rep. Lantos's remarks.

New Delhi June 23, 2006.

"There have been a number of US Senators and Congressmen who have expressed different views concerning the Indo-US nuclear agreement.

We have been negotiating the nuclear deal with the US Administration on the premise that it is an agreement about civil nuclear energy cooperation on the basis of mutual benefit. The agreement would have to be based on the reciprocal commitments incorporated in the Indo-US Joint Statement of July 18, 2005 and the elements contained in India's Separation Plan, which was submitted to Parliament on March 11, 2006. This is our understanding with the US Administration, which has the responsibility for bringing about a change in US legislation to enable full civil nuclear energy cooperation between our two countries."

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421. Speech of Foreign Secretary: "The India-US Joint Statement of July 18, 2005 - A Year Later": at India Habitat Centre, New Delhi.

New Delhi, July 14, 2006.

1. I am delighted to join you this evening to share my thoughts on a theme that has been the focus of considerable debate in both India and the US over the last year. At the outset, let me express my thanks to the India Habitat Centre, Shri Lieberhan and to Commodore Uday Bhaskar for their initiative in organising this event today. On my part, I will try and share my assessment with this distinguished gathering in as candid a manner as possible and later, I would be happy to answer any queries you may have.
2. It is a little unusual to revisit a Joint Statement agreed upon a year ago. More often than not, Joint Statements recede rapidly from public memory. I can think of very few other Joint Statements that have been dissected in as much detail as this one. What is so special about the July 18 Joint Statement that it warrants an analysis even a year later? Is it in any way a defining document of our contemporary

diplomacy? Does it have a significance beyond the subject matter it addresses? Does it depart from our orthodox positions on important issues? The answer is yes to all of the above queries, in greater or lesser measure.

3. Before we get to the Joint Statement itself, let us spend a little time understanding how we got there in the first place. July 18, 2005 was not an overnight happening. Nor was it conceived in a vacuum. It, in fact, represents a culmination of steps, spanning a number of Governments, and made possible as a result of the trust and confidence that had been incrementally built up between the two countries. The broad range of cooperation that it offers reflects a larger engagement over many years between our two societies.
4. There were six key developments that merged to create the basis for July 18. First and foremost, an India growing at the rate of 8% per annum has led to a very different attitude on the part of the US towards India. This may be stating the obvious, but I am not sure how many of us appreciate its consequences. Ambassador Blackwill's erstwhile description of our trade being "as flat as a chapatti" is now a distant memory. Bilateral trade, in fact, has been growing at a healthy 20% plus annually and we are now the fastest growing export market for the US. An India of high growth rates creates new demands for goods, services and technologies that a global trading nation like the US cannot ignore. The experience of companies already operating in India has been positive, as indeed has been their profitability. Those already in are expanding, while those still not in are wondering why not. Global US companies now require a mandatory 'India strategy'. Consider the impact, for example, of the enormous orders placed on the US aircraft industry last year by a number of our airlines. Turn your attention then to investment opportunities, and recall some of the recently announced decisions by IBM, Microsoft, Cisco Systems or Intel. Read the latest BRICs monthly report by Goldman Sachs. It has taken us some time, but we have clearly caught America's attention; and not merely as an investment destination. There is recognition that India too can produce world-class companies — in manufacturing as well as in services. If *The Economist* leads with 'Can India Fly?', that is a message in itself. India is today being invariably equated with China in terms of potential and possibilities.

5. Let me turn to a second significant element of the new calculus — India as a nuclear weapon power. 35 years ago, Richard Nixon justified the US opening to China on the grounds that you cannot ignore 600 million people with nuclear weapons. Double the number and you have an even stronger rationale. This has made a compelling case for greater engagement with India. We saw that manifested, for example, in the 'Next Steps in Strategic Partnership' initiative of January 2004. The acknowledgement, on July 18, of India as a country with an impeccable record in non-proliferation of weapons of mass destruction and as a responsible state with advanced nuclear technology should be noted in this context.
6. A third development is the larger strategic canvas that argues in favour of raising the quality of Indo-US ties. As a pluralistic and secular democracy in a world where fundamentalist violence is on the rise, India's emergence as a model of stability, modernization and predictability, has begun to impact on international consciousness. To this has been added a healthy respect for our capabilities that have been steadily growing across the board. We have become a major interlocutor on key global challenges — from environment and pandemics, to counter-terrorism and disaster relief. The US strategic assessment of India is articulated both in its *National Security Strategy* of March 2006 and the *Quadrennial Defence Review Report* of February 2006. The NSS speaks of India as a major power shouldering global obligations. Similarly, the QDR refers to India, along with China and Russia, as key factors in determining the international security environment for the 21st Century.
7. A fourth element in the US approach to India has been its awareness of the potential that our partnership holds in respect of the knowledge economy. Interestingly, the majority of our current initiatives, in one form or the other, are strongly knowledge-based — be it S&T, agriculture research, energy issues, space, atomic energy, health or high-technology. We have heard from the highest levels in the US how much importance they attach to cooperating with a society that produces graduates by the millions and engineers, technicians and doctors by the hundreds of thousands. There is growing awareness as well of our demographic advantages. We note this in the US National Intelligence Council's 2020 report on *Mapping the Global Future* that argues that new service sector jobs in India (and China) could exceed availability of similar skills in advanced

economies. The report predicts that this would lead to a surge in technology applications, which in turn could lead to new international alignments. If 100 of the 'Fortune 500' companies have R&D centers in India, if Boeing wishes to undertake joint research with the Indian Institute of Science, if ISRO carries US payloads on its Chandrayaan Mission or if our scientists are invited to play a role in cutting edge international research projects - these are anecdotal examples of a much broader trend.

8. A fifth point to be noted is that these developments are part and parcel of India opening up to the world. The impact of India integrating with the global economy cannot be underestimated, least of all on its leading player, the United States. This is not just in terms of business, services or even connectivity. Indians are making a visible impact on the rest of the world and certainly in the US, this is symbolised by the success of the Indian-American community. Two million Indians have not only established an enviable professional reputation but have a median income 50% more than the national average. Their image, over the years, has helped to shape ours.
9. And sixth, as an open society and an open economy, the growth in India's capabilities has been welcomed by the world. Our record and our worldview give no cause for apprehension in any quarter. At the same time, there is no reason to remind us that we have an obligation to the world from which we all draw sustenance. Even in the past, when our resources were less, India has contributed towards addressing global challenges to the best of its ability, including the use of its military forces in UN peacekeeping missions. As the 2004-05 tsunami relief efforts demonstrated, this approach stands reaffirmed with greater capacities at our command. That was why the July 18 Joint Statement envisaged the establishment of a global partnership as part of the transformation of our ties.
10. Against this background, as we envisage a new basis for greater cooperation with the US, it is legitimate to ask: what is in it for us? How do we stand to gain by enhancing our ties with the US? It is equally reasonable to ponder whether in the light of past experience, are we widening our risk exposure in striving for better ties? There are good answers to these questions, many of which have been articulated as part of our domestic political discourse. The United States is clearly the pre-eminent power of our times. There can be

no argument that better relations with the US are in our national interest. It is our largest trade partner, investor and technology source. Equally important, as the pre-eminent power, the US helps shape global sentiment. From the economic perspective, initiatives with the US can advance our development processes and accelerate our growth rate. Technologically, a partnership with the US would enormously benefit a country like India whose future is so tied to the knowledge and service industries. There are strong security convergences between us, be it on terrorism, maritime security or other threats from non State actors. From the political perspective, stronger ties make themselves positively felt on our relations with third countries. Domestically, India is seeking to leapfrog in its development process. In foreign policy, we require adjustments in the international order so that our aspirations are accommodated. A stronger relationship with the US can offer benefits on both fronts. The challenge to Indian diplomacy, of course, is to maximise the gains while minimising the costs, and create an international environment that is supportive of our developmental goals.

11. It was with this approach that we embarked on a process that led to the July 18 Joint Statement. In doing so, we sought to synchronize our diplomacy much more closely with the changes that have taken place in India over the last 15 years. Our objective was that the India, which was making such strenuous efforts domestically to catch up with the world, should craft a foreign policy which supported and acted as a multiplier on those efforts. Rising expectations are as relevant to diplomacy as they are to impelling an improvement in the quality of life. India's diplomats have to do their share in ensuring, for example, that our energy security was effectively met. It was important that we were not left out of global research initiatives. Or that our access to global natural resources was not hindered in any way. And, that the interests of our industry and our services sector were well served by creating expanding opportunities for our talented professionals worldwide. Because, in the US, we were engaging a global power, this provided us an opportunity to review our established positions. We asked ourselves whether these positions are as relevant as they were earlier. Were there new opportunities that we may have ignored? Were there emerging Indian strengths that could be leveraged? What is it that we are now able to bring to the table that we could not earlier? Were we getting the best returns for our efforts?

12. July 18, in retrospect, marks our determination to put behind us an era of defensive diplomacy. If India is to become a credible candidate for permanent membership of the Security Council, then we must adjust our traditional positions. Our foreign policy must reflect our national aspirations and express our confidence as an emerging global player. We cannot duck the difficult issues of the day and display an aversion to risk taking. July 18 is, in some ways, an effort to usher in a change in mindset.
13. The Joint Statement covers three clusters of issues: (i) those that directly address our national development goals and reflect the leveraging of Indo-US ties to advance those goals, (ii) the dismantling of the technology denial regimes that constrain Indo-US cooperation and the medium term emergence of India as the leading knowledge-enabled power, and (iii) the key global responsibilities that India and the United States need to address. I will also include, in the course of this summary, those initiatives announced during President Bush's visit on 2 March 2006 that represent a further development of the July 18 understanding.
14. The three key constraints on the further growth of the Indian economy are that we are woefully behind in our lack of a modern infrastructure, in agricultural productivity and commerce, and in energy security. These three concerns form the tripod on which the Indo-US developmental agenda currently rests. On July 18, we agreed to set up a CEOs Forum to harness private sector energies and ideas to revitalize our economic cooperation. The very composition of this Forum, that includes ten key CEOs from each country, reflects how differently we regard each other today. The Forum has presented its report to the Prime Minister and President Bush in March 2006 and its recommendations are currently being examined. Infrastructure modernization through a dedicated fund is among them, and we should expect to hear more from the planned Investment Summit at the end of the year.
15. In agriculture, we have embarked on an ambitious knowledge initiative that seeks to revive the traditions of the Green Revolution by linking our educational institutions. We have, by now, worked out a detailed three-year work-plan that covers agricultural education and training, biotechnology, water management, and food processing and agro-business.

16. On energy, our dialogue has catalyzed activity across the entire spectrum. As a result of post-July 18 discussions, we have been able to finalise Indian participation in the FutureGen Initiative dealing with clean coal and the Integrated Ocean Drilling Programme, dealing with gas hydrates. A number of energy efficiency activities and programmes have also been initiated. Indian participation in the ITER fusion energy initiative was another important result of the July 18 commitments, catapulting India into a select group of advanced countries, namely the EU, France, Russia, China, Japan and South Korea to collaborate in an area of science of enormous promise for meeting our future energy needs.
17. The dismantling of the technology denial regimes, led by the US — but imposed by other advanced countries as well — has been a key objective of the Indo-US nuclear deal. For historical reasons, what began as the imposition of limitations on India's access to nuclear technology and equipment after our PNE in 1974, steadily expanded over the ensuing years to cover virtually the entire high-tech field on grounds that most advanced technologies have dual uses. You would recall that in the eighties, a Cray supercomputer India had sought from the US for better weather forecasting was denied, since it could conceivably be used in our nuclear programme as well. In dismantling these denial regimes and enabling our business and industry to access dual use technologies, the nuclear deal will really be the key which will open this lock. While it may be true that the denial of such technologies has, in some cases, encouraged indigenous innovation and led to outstanding achievements by our scientists, an increasingly globalised and competitive world demands a different response. As the Indian economy matures, and moves towards an ever more sophisticated knowledge and technology driven society, the importance of dismantling these technology denial regimes cannot be under estimated. This will also create opportunities for our scientists and technologists to benefit from regular interaction with their counterparts in the rest of the world and bring to the table their own considerable achievements in several fields.
18. Even as we seek to put the era of technology denial behind us, parallel initiatives have been undertaken to build a more durable S&T partnership between us. In July 2005, we agreed to sign an S&T framework agreement, which was done that September, along with a protocol that addressed IPR generation issues. By March

2006, we were ready to announce a Bi-National S&T Commission that is now under implementation. We need to nourish exchanges and build capacities that would strengthen technology innovation and applications. As many of you are aware, India lags far behind in its generation of patents, which is the hallmark of a competitive industrial culture. Certainly, participation in international S&T exchanges and initiatives, not only with the US, but other partners as well, will be one of the key priorities for our diplomacy.

19. Global issues of common concern are an intrinsic aspect of the emerging Indo-US strategic partnership. An important initiative was the promotion of democratic capacities in emerging democracies. India has valuable experience through the ITEC programme in building civic society and contributing to the strengthening of democratic institutions. We have joined the US to launch the UN Democracy Fund last September. Combating terrorism is another important shared goal and we have ongoing exchanges and activities in that direction. Pandemics are yet another common challenge that we have chosen to address and our cooperation on HIV/AIDS and avian flu has yielded beneficial results. We have also agreed upon a disaster relief initiative and a maritime cooperation framework that draws upon the new Defence Framework that we finalized in June 2005.
20. Understandably, the nuclear issue has dominated the public discourse on Indo-US relations since July 2005 and I would like to take this opportunity to share our reading of the state of play. In March 2006, we completed discussions with the US Government on a range of issues including supply assurances, that allowed us to finalise the Separation Plan. These discussions were based on a clear understanding that the nuclear deal was about civil nuclear energy cooperation between India and the US and not about India's strategic programme. In pursuing such cooperation, India was, however, willing to provide assurances that what it received as part of international cooperation from the US and other partners would not be diverted to third countries, and would not be diverted to non-civilian uses within India. We reject any limitation on our strategic programme, but we do not expect our partners to, in any way, assist that programme either. Our part of commitments having been delivered upon, the US is now engaged in adjusting its laws to enable full civil nuclear energy cooperation with India. Bills were introduced to that effect in both the House and the Senate at the instance of the

US Administration. These were considered by the Committees concerned and fresh texts were finally marked up, by the House Committee on 27 June and the Senate Committee on 29 June, 2006. The Bills are likely to be voted upon by the two chambers in the coming days, and if all goes well, we may see the text of final legislation fairly soon.

21. It would be inappropriate for us to comment on the legislation before the final text emerges. We are, however, quite clear that India cannot undertake any obligations going beyond the July 18 Joint Statement and the Separation Plan. Obviously, the legislation will be the product of an American political process and could well include some references that we may find unpalatable. While making our views quite clear, we must focus on what is essential. India's obligations will only be those that we undertake in the bilateral 123 cooperation agreement and the safeguards arrangement with IAEA. When we assess the legislation, we should scrutinize carefully the binding provisions that will find their way into the 123 agreement and safeguards arrangement. The bottom line, I repeat, is that these provisions should measure up to the yardsticks of 18 July and 2 March.
22. It has been asked whether our strategic options are not being restricted as a result of the July 18 commitment to continue our voluntary moratorium. Let me make it quite clear that this is not a new commitment, even in a bilateral understanding. In 1998, in the UN General Assembly, we had expressed a willingness not only to continue the moratorium but also to move towards its de jure formalisation. The Separation Plan has also been depicted by some analysts as eroding the vigour of our strategic deterrent. I can only state that those who are in a position to make an informed judgment on the needs of our credible minimum deterrent have concluded otherwise.
23. The July 18 Joint Statement has been followed by vigorous diplomatic engagement with our other major partners. That should set to rest any anxiety that the gains in Indo-US relations are at the expense of other ties. With the European Union, we had an extraordinarily successful summit last September in New Delhi that witnessed substantive progress on energy, trade, political, consular and cultural issues. India's participation in the Galileo project and support for our membership of ITER were its high watermarks. With Russia, our

traditional exchanges have intensified further, including enhanced cooperation in defence, energy and trade sectors. The progress on GLONASS was a noteworthy development. With China, we have moved forward in the establishment of a strategic and cooperative partnership for peace and prosperity. Exchanges in defence have built mutual trust and confidence and Raksha Mantri's recent visit was very successful. Our bilateral trade volume has grown rapidly and should cross \$ 20 billion by 2008. With Japan, our economic and strategic engagements have intensified during the last year. Our growing partnership with Brazil and South Africa reflects the higher profile, of our interactions with Latin America and Africa. In South Asia itself, the beneficial effects of a confident and self-assured India have made themselves apparent, including in the dialogue with Pakistan. Our partnerships with South East Asia and West Asia have gained as well. As you are all aware, the King of Saudi Arabia paid a state visit earlier this year, after half a century.

24. July 18 is a milestone in the road to realize our aspirations. It is something of a departure from the beaten track, but one necessary for the times. Our mission is to realize its full potential, and by doing so, I am confident that we will create new opportunities to advance our national goals.

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422. Meeting between US President Bush and Prime Minister Dr. Manmohan Singh at St. Petersburg.

St. Petersburg, July 17, 2006.

THE PRESIDENT: Thanks for coming over this morning. It's always a pleasure to be in your company. He's one of the really true gentlemen in the international arena. He's got a wonderful heart. I know you've been through difficult times, and America mourns the loss of innocent life as a result of the terrorist attacks.

One of the issues that we've been discussing here at the G8 is the recent terrorist activities in the Middle East. Yesterday, in working with other members of the G8, we cobbled together a very important statement. I'm most pleased that the leaders came together to say, look, we condemn violence, we honor innocent life.

However, for the first time we've really begun to address with clarity the root causes of the conflict, the recent conflict in the Middle East, and that is terrorist activity — namely, Hezbollah, that's housed and encouraged by Syria, financed by Iran, are making these moves to stop the progress of peace. We would hope that by addressing the conditions of this violence we could get to a situation where there was calm. We're going to work hard as nations to address the root cause. Yesterday was an important statement. The reason I tell you that is that you'll find nations willing to work together for the common good here.

I also look forward to discussing with you our trade matters, as well as the wonderful deal you and I negotiated. Our Congress is working on that important piece of legislation that will encourage and allow India and U.S. cooperation, and I'm optimistic that we will get that passed.

At any rate, welcome, and thank you, sir. I'd be glad for you to make some comments.

PRIME MINISTER SINGH: Mr. President, thank you very much on your words of sympathy and support in the wake of these terrible terrorist acts in Mumbai and (inaudible). I've just been there — 200 people, innocent men, women and children have perished, about 800 citizens injured — (inaudible) — in various hospitals. It was such a moving sight, people without limbs and always sad. And I'm grateful to you, you gave me help from Germany and I deeply appreciate your generosity. Your kindness, your sympathy and support mean a great deal to me, President. (Inaudible.)

Sir, your visit to our country in March, and in the company of the First Lady was a landmark. (Inaudible) are working together between our two countries. And I'm glad to report to you that we are making progress in all directions. India was the idea of getting the business community of our two countries engaged. You suggested we set up a CEOs forum. That forum is very active. It has produced a number of good ideas. We'll follow it up by an investor's summit towards the end of the year.

Sir, India is still very largely an agricultural country; 65 percent of all people live on land. And the initiative that you took, and (inaudible) put also your ideas and knowledge initiated a second green revolution in our country. We have now agreed on a road map. We have identified sectors like agricultural education, food processing, water management, (inaudible) as the key areas which will be the focus of this agriculture initiative. It means a great deal to us, to build a new trust to agricultural innovation, agricultural productivity. I thank your active support.

In science and technology also, Mr. President, we have now agreed to work together and invite national (inaudible) and science and technology coordinators (inaudible). They have no outline, a roadmap. And I am very happy that both our administrations are working very hard to give concrete meaning and substance to our cooperation.

And I thank you, Mr. President, for your efforts and Secretary Rice's effort in getting the legislation with regard to nuclear cooperation moving through the Congress. We have (inaudible) really intensely what has been written into these bills. And I must confess to you that while we deeply appreciate your personal involvement, Secretary Rice's (inaudible) — she appeared before the Congress — there are some concerns which (inaudible) — believe our parliament. And like you, we are a democracy; we have a parliament which is very jealous of what we do and what we don't do. And we have -- these concerns are made, and I sincerely hope that we can find constructive solutions to all these problems. So this truly is landmark cooperation.

I recall it — I said to you that, Mr. President, that this is a (inaudible) consideration of India and the U.S. (Inaudible).

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423. Reaction of Official Spokesperson to a question on passage of the bill authorizing the US Administration to engage in full civil nuclear energy cooperation between India and the US.

New Delhi, July 27, 2006.

The passage of the bill authorizing the US Administration to engage in full civil nuclear energy cooperation between India and the US, by a large margin of bipartisan votes in the US House of Representatives, demonstrates the broad political consensus in the US in the promotion of Indo-US relations in all fields including in the field of civil nuclear energy cooperation. We must, nevertheless, await the finalized text of the legislation which will emerge after a Senate vote and the reconciliation of the two Bills, before we are able to comment on its contents. As has already been stated, there are concerns that we have conveyed to the United States to ensure that the final legislation must not deviate from the parameters of the Indo-US Joint Statement of July 18, 2005 and the Separation Plan.

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424. Briefing Points by Official Spokesperson on the visit of US Assistant Secretary of State Richard Boucher.

New Delhi, August 7, 2006.

- Joint Secretary (Americas) and Assistant Secretary Richard Boucher held their regular consultations on 7th August 2006. Their discussions included a review of the follow up action to the 2 March 2006 and 18 July 2005 Joint Statements. They noted that considerable progress has been made on economic, trade, agriculture, energy, S&T and defence cooperation areas outlined in those statements. Views were also exchanged on regional issues of mutual concern.
- Assistant Secretary Boucher also had a meeting with Joint Secretary (Eurasia). He will be calling on Foreign Secretary later in the afternoon.

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425. Response of Official Spokesperson to questions about imposition of sanctions on two Indian companies by US Government.

New Delhi, August 7, 2006.

We have seen the reports about imposition of sanctions on two Indian companies viz. Balaji Amines and Prachi Poly Products. The sanctions imposed by the US Government on the two Indian firms relate to transfer of some chemicals to Iran. Our preliminary assessment is that the transfer of such chemicals was not in violation of our regulations or our international obligations. Government of India's commitment to prevent onward proliferation is second to none. We have instituted a rigorous system of export controls and our track record in this regard is well known. India is working with the international community including with the US as a partner against proliferation. In this context the imposition of sanctions by the US on our firms, which is our view have not acted in violation of our laws or regulations, is not justified.

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426. Joint Statement on the meeting of the India - U.S. Financial and Economic Forum.

Washington, (D.C), August 23, 2006.

At the invitation of U.S. Treasury Under Secretary Timothy D. Adams, Indian Ministry of Finance Department of Economic Affairs Secretary, Ashok Jha, led an official delegation to Washington to co-chair the sub-cabinet meeting of the India-U.S. Financial and Economic Forum, which is part of the broader U.S.-India Economic Dialogue. The delegations discussed a number of key issues including developments in the global economy, policy responses to high oil prices, U.S. and Indian leadership in the WTO Doha Development Round negotiations, strengthening India's physical and financial infrastructure, and collective efforts to combat money laundering and the financing of terrorism.

Besides senior officials from the Ministry of Finance, Government of India and the U.S. Treasury Department, representatives from the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, National Association of Insurance Commissioners, Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, Reserve Bank of India, and the Securities and Exchange Board of India, participated in the discussion. In the meeting, the discussions focused on:

Global Economic Issues

The delegations discussed a range of issues facing the global economy. They noted that global growth remains exceptionally robust, the highest in three decades, despite continued high oil prices. The Indian economy remains strong, driven by domestic demand. Growth in the U.S. remains solid, in part due to sustained productivity growth, and fiscal consolidation is ahead of schedule. The two sides noted risks to the global economy which include the impact of sustained high oil prices and a disorderly adjustment of unbalanced growth in many parts of the world. India and the United States reiterated that a successful conclusion of the WTO Doha Development Round negotiations remains essential to promote global trade and growth.

Financial Sector and Infrastructure Issues

The delegations discussed the role of sound financial institutions and efficient financial markets in mobilizing savings and allocating resources

efficiently to generate growth and help alleviate poverty. Both sides highlighted the important role that foreign direct investment can play in strengthening the productive base of the economy. The two sides discussed the role of financial sector development in stimulating resources for long-term financing.

U.S. officials discussed recent developments in the U.S. banking industry, as well as regulatory approaches to complex financial transactions and risk management. The U.S. side also emphasized the contribution of financial sector liberalization to growth and stressed the gains that could be achieved by greater foreign participation in the banking, insurance, and pension sectors, and in capital markets. The Indian side described the recent steps taken to liberalize the banking and insurance sectors and emphasized the importance of a calibrated, gradual approach to these issues, consistent with their overall policy objectives.

Indian officials affirmed their commitment to infrastructure development as a means of reducing poverty and expanding economic opportunities. They acknowledged the importance of encouraging private financing for infrastructure to complement public expenditure. Key components include an improved investment climate, financial sector development to enhance long-term financing, and improved project design.

The two sides acknowledged the importance of actions to detect and disrupt money laundering and financing of terrorism. They discussed implementation and enforcement of anti-money laundering laws within the financial sector. The delegations agreed to continue to work together to identify and freeze terrorist assets.

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427. Speech of Defence Minister Pranab Mukerjee at the Reception by the Indian Ambassador at the Indian Embassy.

Washington (D.C.), September 25, 2006.

I am delighted to be in your midst this evening. We are in a period of good cheer in India on the eve of our annual festive season, when we will be celebrating festivals of many great faiths which have enriched our heritage over the centuries and millennia. The holy month of Ramzan has just begun today. We marked the beginning of the Jewish New Year yesterday. Amongst you I see so many faces of diverse India, and I feel as if I am at home.

When I look at you and meet other fellow Indians from different parts of the world, I often ask myself - what is it about us that we are able to adapt ourselves so easily to different societies, traditions and cultures? Why is it possible for Indians to make different places their home and to make themselves liked and admired? How is it that they make such meaningful contributions to the societies in which they live? In short, how is it so effortless for them to adapt seamlessly to the globalised world and yet retain their links over generations with the glorious civilizational heritage of India? While I do not always look at antiquity to seek answers to the riddles of contemporary times, I am convinced that many of the answers to the success of Indians at home and abroad lie in our history and culture.

It is indeed a matter of great pride for us that we represent a great and composite civilization that defines our "Indianness" and our worldview. Our thinking is shaped by a history in which practically all the communities of world have thrived. India has always been a mosaic of cultures and an open society. Great religions have been born in our nation, and many from outside have been absorbed and internalised. Not many people are aware that while the great religions of the East - Hinduism, Buddhism, Sikhism, Jainism and many others - grew from the soil of India, the faiths from West Asia were also embraced with equal respect and reverence. It was as early as the middle of the first century AD that Christianity came to India; that is about a thousand years before it took root in most of Europe. Jewish people lived in India with dignity and respect for centuries. Islam came first to India with Arab traders and enriched our civilization. Zoroastrians sought refuge and thrived in India for centuries. This rich heritage became an integral part of our identity. In contemporary India, it is reflected in our commitment to secularism, which is enshrined in our Constitution.

In a world of conflict and bigotry, India provides an alternative model of peaceful co-existence. In an age in which people talk of the end of history and a clash of civilizations, Gandhi's message is that civilizations enrich each other by overlapping and interacting.

Another characteristic of the globalized world is the exchange of goods, services and people amongst the different parts of the world. It is a reflection of the logic of business and industry that they will move to wherever it is profitable and economical. This was also happening thousands of years ago. A spice route traveled north through Jammu & Kashmir in India to Central Asia to connect with the great Silk Route from China to Europe. Similarly, ships from the Malabar coast of India sailed to the Gulf and the Red Sea for further movement to the west. Ships from the eastern coast of India also traveled great distances to the Far East for trade and other exchanges. This overland and maritime trade connected our land with distant peoples and cultures. India has never been an insular land unused to trade and commerce with others. It is, therefore, not surprising that we see merit today in an increasingly inter-dependent and globalised world. The logic of our economic reforms was to strengthen ourselves to compete, and by competing, further strengthen our nation.

I am aware that you represent the fastest growing and third most populous Asian group in the United States. Indian-Americans are the best educated and amongst the wealthiest ethnic groups in this country. The largest number of foreign students in US universities is from India. Thousands of prominent Indian-American scientists, faculty members and research workers are contributing to the intellectual capital in American universities and other institutions. Indian-Americans have made their mark in areas of high technology and innovation, real estate development, journalism, legal practice, literature, music and art. They run a number of successful small businesses, head some large US corporations and control about 40% of hotels in this country. With over 40,000 doctors and more than 12,000 medical students and interns, Indian Americans contribute significantly to healthcare in the United States.

You have the great advantage of coming from an open and pluralist society and making another free society your home. And openness is the basis of human creativity. Democracies sometimes seem noisy and divisive, but they are ultimately the true guarantee of unity and equitable development. Free and fair elections in India over the last six decades and the steady strengthening of democratic institutions have ingrained a tradition

of democracy in such a large and diverse a country – a phenomenon which is unparalleled and unprecedented in world history. A society as diverse as India can only be governed as a democratic, federal and pluralist polity. Since, for most of you, your country of origin and your country of adoption are both democracies, I am sure that your participation, as good American citizens, in the political process of this country will serve your and this nation's long-term interests. I have thus been heartened to learn of contribution of the Indian-American community to political life of the United States. I am sure that, with each passing year, your participation in the political processes at the local, state and national level, will continue to increase and be commensurate with your contributions to other aspects of life in the United States.

The Indian-American community has rightly earned for itself an extraordinary place in this country. We rejoice in your well-being and take great pride in your achievements. As you have flourished, so has the relationship between India and the United States. Today, we stand on the cusp of a great transformation in this relationship. Your role in this process is vital. Your creativity, knowledge and work ethic have helped to transform the image of India in American minds. In a relatively short span of time, you have traversed a vast distance. The rise of the influence of the Indian-American community has occurred in parallel with the strategic, economic and technological resurgence of India. India has experienced a noticeable growth of its GDP in the last few years, which reached 7.5% in fiscal 2004 and 8.4% in fiscal 2005. Our economy continues to remain buoyant and we hope to have sustained growth at higher levels. In the first four months of fiscal 2006, our exports have grown by nearly 34%. During the first quarter of 2006-07, foreign direct investment inflows into India have grown 47%. India's industrial growth was 12.4% in July 2006; the fastest in the past decade. It will perhaps not be inaccurate to say that India is today the fastest growing democracy in the world.

India has, and will, continue to be a responsible member of the international community. We are one of the largest troop contributing countries to UN peacekeeping operations. Within our capabilities, we have always responded to the need for relief and supplies in case of natural disasters in any part of the globe. Even as a country affected by the tsunami of December 2004, we were the first to provide help to neighbours such as Sri Lanka, Maldives and Indonesia. When Hurricane Katrina caused death and devastation in the United States, we made a modest contribution in money and relief supplies flown abroad Indian Air Force aircraft as a gesture

of our sympathy and solidarity with the American people. When an earthquake struck the northern Indian state of Jammu and Kashmir and parts of Pakistan, we offered assistance to our neighbour.

India has also been a responsible member of the international community in other ways. Despite being the first Asian country to have built a nuclear reactor indigenously and then developing full nuclear fuel cycle activities, we have always used these sensitive technologies with great caution and care. There has not been even one case of outward nuclear proliferation from India to any country. This is the premise on which the international community today is prepared to cooperate with us in developing civil nuclear technology.

Our initiatives have not been limited to that of civil nuclear cooperation. Let us look at some developments in the last 18 months alone. During this period, India and the United States signed an Open Skies Agreement to increase the number of flights between our countries and enhance trade and tourism. Since then the number of flights have increased and non-stop flights between the two countries have commenced. We concluded the Next Steps in Strategic Partnership, or the NSSP process. This has made licensing procedures for export of sensitive goods and technologies from the United States to India easier and more predictable. We have established an Energy Dialogue that aims at boosting cooperation across the whole spectrum of energy sources. We have established a new Economic Dialogue between our two Governments, and launched a CEO's Forum representing top Indian and US companies. The New Framework for the India-US Defense Relationship that Defence Secretary Rumsfeld and I concluded in June last year laid the foundation for cooperation, including in defence industry. India and the United States have also signed a bilateral Science and Technology Agreement and established a Bi-National Science and Technology Commission with the objective of vastly enhancing cooperation in basic and applied sciences. We have decided to cooperate in the field of space. We have established a Knowledge Initiative in Agriculture aimed at generating a second Green Revolution in India. We have also taken various India-US initiatives which will have a positive global impact - in promotion of democracy, in natural disaster management, in meeting the challenges caused by pandemics like HIV/AIDS and avian flu and in other fields. Hence growing India-US cooperation will not only be of benefit to India and the USA but have a positive global impact.

I am confident that this trend of closer India-US partnership will strengthen in the coming years. India will continue its rise in the comity of nations, and so will the role of the Indian American community within the United States. The future of India and that of the Indian-American community within the United States thus appear to be intrinsically inter-twined. To respond to the widespread desire of this vibrant and dynamic community to have greater formal links with the land of its origin, our Government took the initiative of creating a separate Ministry of Overseas Indian Affairs and also put in place the overseas citizenship scheme.

I appreciate the fact that you have come from far and near to attend this reception. I extend my warm greetings and good wishes to all of you who are present this evening, as well as to all resident Indian citizens and Indian-Americans. We look forward to continuing to work together even more closely with you in forging a deeper partnership between India and the United States, based on the abiding values cherished by both our countries as well as our common concerns and intersecting interests.

I thank you for gracing this occasion with your presence and giving me a patient hearing.

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**428. Address by Defence Minister Pranab Mukherjee, on
“India’s Strategic Perspective” at Harvard University.
September 25, 2006.**

Thank you very much for the kind introduction. I would like to thank Prof. Sugata Bose for the invitation to address this learned gathering at Harvard.

Ladies and Gentlemen, I am honoured to be amongst this distinguished gathering at America’s oldest and most prestigious university, and to share some thoughts with you on India’s strategic environment and perspectives. Harvard is a great centre of global intellectual discourse; it has given great personalities and great ideas; great citizens, great teachers and six Presidents to the United States of America. What better place, therefore, could we have to reflect on this important theme!

We live in a time of monumental changes in international affairs. Our strategic environment is in a constant flux. The era of cold war has

come to an end. The Soviet Union has disintegrated and the socialist world stands transformed. A new Russia, along with a series of new countries, has emerged in the former socialist space. India, China, and several other medium powers are rapidly growing in capabilities and global influence. Globalization is underway in every continent, knitting together industries and economies across nations and creating a radically different order. The rise of religious fundamentalism and terrorism is today one of the gravest security challenges to states, economies, peoples and democratic polities. It has been starkly etched in our memory by the recent Bombay blasts, the London, Madrid and Bali bombings, and, of course, the traumatic terrorist attack on the United States five years ago.

There have been huge gains from globalization, information revolution, and steady democratization through the latter half of the 20th century. At the same time there are also enormous pressures on states, both from within and without, because of the simultaneous pulls of these forces. The nature of threats and security discourse are, as a result, radically changing; nontraditional security issues are occupying increasingly greater space in policy formulation, even as the challenge of securing states and the democratic political order from armed fundamentalist and separatist actors confronts us as never before.

India's strategic perspectives have been shaped by its long civilizational history, its geography, its culture and geopolitical realities. The country is both a continental and maritime nation with a territory of over 3 million sq kms, a land frontier of 15,000 kms, a coastline of 7,500 kms, and a population of 1.1 billion, the second largest in the world. Its location at the base of continental Asia and the top of the Indian Ocean gives it a vantage point in relation to both West, Central, continental and South-East Asia, and the littoral States of the Indian Ocean from East Africa to Indonesia. India's projection into this vast and critically important waterway gives it a major stake in its security and stability.

Traditionally, India has been an open society. It has received and absorbed major influences from outside, like Islam and Christianity, and radiated its composite cultural influences outward. India's civilization, along with the Arab, Persian and Sinic civilizations, influenced many parts of Asia. India has also been a well-spring of human intellectual and spiritual achievement, and the source of the great religious schools of Hinduism and Buddhism. As I have said earlier to another audience in this country, it is customary to talk of strategic perspectives in terms of 'hard' power;

however, our strategic perspectives need to be viewed also in terms of India's 'soft power' – those of religion, spirituality, culture and commerce; and in recent times, the political thought and peaceful strategy of Mahatma Gandhi. The coincidence of the commemoration of the 9/11 terrorist attacks in the United States earlier this month with the 100th anniversary of the launching of Gandhi's non-violent civil disobedience movement in South Africa on September 11, 1906, represented a juxtaposition of diametrically opposing ideologies.

Developments from the 17th century onwards fundamentally altered the traditional orientations and moorings of India's relations with the outside world. European mercantilism evolved into the maritime domination of the Indian Ocean, changing the very nature of political, trade and cultural ties between India and its regional maritime partners to the east and the west. Further north, in mainland Asia, it introduced relationships of domination and rivalry between imperial powers, where earlier only local powers played out their dynastic destinies. The legacy left behind for independent India was in some ways negative and disruptive.

Several developments in the 20th century, with their roots in imperial history, affected India's traditional relationships with its neighbourhood. Perhaps the most fateful was the partition of India. Viewed from this perspective, it can be argued that the first half of 20th century was a decided aberration in the evolution of India's historical and traditional relationship with the outside world. The historical experience of the British East India Company, and imperialism in general, left India suspicious of foreign trade. Following India's independence, this led to efforts to build a self-reliant and autarkic economy, wary of deeper engagement with the world economy. The model stood us in good stead for a while. It helped set up a robust technical and industrial base. Self-reliance gave us self-confidence. This provided the base for the accelerated growth and increasing globalization of the Indian economy since the early '90s when sweeping reforms were adopted by the then Congress Government.

While colonialism disrupted our traditional links, the cold war delayed their restoration. The fall of the Berlin Wall and the end of the cold war has provided an opportunity to recover our traditional, historical linkages that had become weak during the cold war years, and to rediscover our interest in a wider and increasingly integrated global community.

While the growing economic strength of India has attracted worldwide attention, this endeavour is still a work in process. India's major priority

today is economic growth, which is inclusive and benefits all sections of society. For most of its history, India has been an open society and an open economy. This is the path it wishes to pursue in the future. India's aspiration for continuing economic growth would depend on a secure and stable environment and its own ability to integrate with the global economy.

In the broad context of this nation-building endeavour, let me touch upon some of our principal security challenges.

The first is the challenge of terrorism. India has suffered the most gruesome and repeated acts of terror since the late 1970s – first in Punjab, then in Jammu & Kashmir, and in recent years in many other parts of our country. The Bombay blasts of 1993 were the original act of mass terrorism. India's places of worship, symbols of its rapid economic growth, its prestigious centres of learning, popular shopping complexes and symbols of its vibrant democracy have all been systematically targeted. While in most parts of the world, terrorism is perpetrated by non state actors, in India it is sponsored and supported by state agencies from a hostile neighbourhood.

Second, since its independence, India has had to fight three wars on its western borders and one in the north. India continues to face a proxy war from across its western border. Its unresolved territorial and boundary issues with neighbours persist.

Third, India has been placed in an arc of proliferation activity running from east to west, which has had an adverse impact on our security situation. The possibility of linkages between proliferation of weapons of mass destruction and terrorism, which has emerged in recent years, is of great concern for us.

Fourth, the fragile political fabric of states in India's neighbourhood is a source of continuing anxiety. Pakistan remains a nursery of global terrorism. Post 9/11, Pakistan has reportedly helped the United States to fight terrorism along its western border with Afghanistan. But it has done precious little to dismantle the infrastructure of terrorism on its eastern border with India. Many terrorists roam freely in Pakistan. India has repeatedly stated that, in order to proceed with the ongoing peace-process between the two countries, Pakistan must implement the solemn assurances it has given to stop all cross-border terrorism. This has not yet happened. In this context, we welcome the positive results of the recent summit between Prime Minister, Dr. Manmohan Singh, and President

Musharraf in Havana, in particular the decision to set up an institutional mechanism to tackle cross-border terrorism. If Pakistan claims to be a frontline state in the global war against terrorism, then it must do much more to dismantle the infrastructure of terrorism still intact on its soil.

On India's northern border, Nepal has been ravaged by Maoist insurgency for many years. Mounting religious extremism in Bangladesh, coupled with illegal migrations, are a source of considerable concern for India. In Sri Lanka, the two decade old ethnic strife has grave political, economic and humanitarian ramifications for India. Thus, developments in these states may pose risks to India and undermine the stable and peaceful environment that India seeks for its own economic growth.

Fifth, India sits astride the Indian Ocean. The security of the entire region from East Africa to Southeast Asia is increasingly challenged by the rising incidence of violent conflict, growing fundamentalism and terrorism. It is also affected by trafficking in arms, drugs and human beings as well as piracy. 60,000 ships carry merchandise and energy from the Gulf to East Asia, through the Straits of Malacca, every year. Therefore, maritime security is a major preoccupation for India as it is for other littoral states in the Indian Ocean.

Sixth, with the Indian economy set on a higher growth trajectory, its demand for energy is, and will be, increasing rapidly. In this context, energy security and security of sea lanes of communication, on which India's trade is dependent, assume significance.

In order to meet the challenges that India faces, it has been focusing on inclusive economic development, strengthening of its defence to deter aggression; ensuring stability and peace in its neighbourhood; developing friendly and mutually beneficial ties in its extended neighbourhood like West, Central and Southeast Asia; and establishing strategic partnerships with all the major actors in the world, particularly the United States, European Union, Russia, China and Japan. In order to deepen its engagement with Asia-Pacific and ASEAN, it is also pursuing its 'Look East Policy'.

India seeks a stable and strong neighbourhood. Its vision of South Asia is a peaceful and prosperous region where its neighbours see it as an economic opportunity and a partner in progress.

India's nuclear deterrence is a measure of self-defence in a hostile and nuclearised environment. Its nuclear doctrine emphasizes no first use,

non-use against non-weapon states, voluntary moratorium on testing and a credible minimum deterrence. India has been, and remains, a staunch advocate of nuclear disarmament and it has had an impeccable track record in the area of non-proliferation.

Beyond its immediate neighbourhood, India has been seeking to establish strong strategic partnerships with the major global players. The end of the cold war, and also its bipolar geopolitical architecture, has enabled India to pursue engagement with all great powers, specially with the United States.

China is India's largest neighbour and developing stable and cooperative relations with it is a high priority for India's foreign and security policy. With frequent high-level exchanges, including my recent visit to China, the process of building trust and understanding has gained momentum, and our cooperation has diversified across a wide range of areas. Our relations with China have reached a certain degree of maturity. We are both keen to build significant ties and identify newer areas of mutually beneficial cooperation. At the same time, we are striving to address our differences in a proactive and purposive manner, without allowing them to affect the comprehensive development of our relationship. As China grows in power and influence, it will shape our strategic environment in a variety of ways. India's policymakers understand this reality and would evolve policy options to deal with the emerging situation. We look forward to intensifying the positive aspects in our relations where President Hu Jintao pays a visit to India later this year.

Our ties with Japan are also expanding rapidly. Japan plays a major role in our development programmes through its Overseas Development Agency. In recent years we have stepped up our defence and security ties, based on the premise that all countries and regions need to cooperate actively in order to tackle effectively the evolving global challenges. I have recently been to Japan, where I had the opportunity to discuss in detail a range of issues with my counterpart and some of his senior Cabinet colleagues.

India has an institutionalised summit level dialogue with ASEAN, with which it has land and maritime boundaries. India's trade, security and energy ties with East Asia and the Pacific region are set to grow rapidly in the coming years. Southeast Asia and China are already two of our largest trading partners in this region, and South Korea and Japan among the leading investors in our country.

Building strong and cooperative relations with the United States is one of the fundamental goals of India's current foreign and security policy. The growing warmth between the two countries is based on shared values and common concerns. The US remains the dominant global power and central to peace, prosperity and security of the world. India believes that the emerging ties with the US in trade, investments, technology, defence, energy, nonproliferation, and counter-terrorism would have a major impact not only in the bilateral domain but also in a global perspective. Our partnership will also help shape global norms and institutions that are universally accepted and democratic. Clearly, Indo-US relations are set to emerge as one of the fundamental inter-state ties of the 21st century.

In this context, the decision of President Bush and Prime Minister Dr. Manmohan Singh, to address the shared challenge of energy security by engaging in full civil nuclear energy cooperation, is a welcome departure from the era of technology denial regimes imposed on India. India is now seen as a partner and not as a target of global non-proliferation efforts, precisely because its impeccable record in this regard is now fully acknowledged.

Our traditionally close ties with Russia have withstood the test of time. We greatly value our strategic partnership with that country, based on shared interests, mutual trust and benefit. The strength and stability of our relations are manifested by long standing defence cooperation and common concerns on issues such as international terrorism.

The European Union has emerged as another major global partner with which India has a summit level dialogue, based on strong shared interests across a range of political, security and economic issues. We look forward to the steady strengthening of our close cooperation with our European partners, including France, Germany and the United Kingdom.

Ladies & gentlemen, India has been fighting terrorism for many years. This challenge is complex on account of cross-border linkages. However, India rejects any linkage between terrorism and religion. India's secular Constitution, entitles all its citizens the freedom of religion. Personal laws on marriage and inheritance are based on traditional religious codes. Our Constitution draws a clear line between state and religion. The tradition of religious tolerance and moderation remains strong in Indian society, despite occasional aberrations. In the struggle to contain and eliminate terrorism, India has sought to strike a balance between security imperatives and political measures. The cost to our security forces has been high but the

political battle will be won. It is our belief that both in Jammu & Kashmir and in the North-East, stability, peace and reconciliation would be restored in the coming years.

Much will depend on the success of the ongoing peace process with Pakistan and its approach towards support to terrorism and irregular warfare both in India and Afghanistan. International pressure would have to remain on Pakistan to change, and to reform and democratize its polity. This would clearly be among the foremost tasks in international security in the coming years, and an area in which India hopes to work closely with other partners.

India has willingly contributed its naval capabilities to help safeguard the vital sea lines of communications that stretch from the Gulf of Hormuz to the strategic Malacca Straits. Towards this objective, we are actively cooperating with friendly navies in the region. India has backed a major security initiative to monitor shipping, mooted jointly by Indonesia, Singapore and Malaysia to enforce "compulsory pilotage" of the channel against pirates and maritime terror. India, as a major user-state, is willing to assist in the project and share its expertise in maritime security with nations of the region. With more than 50 per cent of India's maritime trade passing through the channel, security of the Straits is important for us.

India has always sought a nuclear weapon free world and is determined to work with others to achieve the objective of universal and non-discriminatory nuclear disarmament. As this is a long term objective, India is willing to take interim steps to reduce the risks of nuclear weapons. At the current UNGA session, India will present a comprehensive paper on nuclear disarmament, calling for early multilateral negotiations on a universal and non-discriminatory treaty banning the development, production and use of nuclear weapons, on the model of the Chemical Weapons Convention.

India does not harbour any territorial ambitions. It does not wish to impose any ideology on others, except to advocate peaceful co-existence and tolerance. India's strong military, its maritime capabilities, and its nuclear deterrent are for self-defence and its highest national priority is rapid economic development. India is an open society and an open economy, and a vibrant democracy that is rapidly integrating with the world. It has the second largest Muslim population in the world that has rejected distorted notions of jihad and begun to embrace modernity like all other sections of Indian society. All the different segments of India's society remain wedded to the ideals of secularism. India aspires to play an increasingly larger role

in ensuring peace and prosperity in its neighbourhood, in a new and resurgent Asia that is likely to eventually emerge as the world's economic and strategic hub.

Before concluding, I take this opportunity to express my sincere appreciation of the efforts being made by Harvard University to further promote studies on India and thereby contribute to closer understanding and stronger relations between India and the United States of America.

[Thank you for giving me a patient hearing].

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429. Speech by Defence Minister Pranab Mukherjee at the inauguration of 3rd Indo-US Economic Summit.

New Delhi, September 13, 2006.

I am delighted to be here to address this august gathering of Indian and American Corporates, policy makers and thinkers. I congratulate the Indo-American Chamber of Commerce for this initiative that brings the businessmen of the two countries face to face and facilitates trade between the two countries. The Chamber is unique in having not just large enterprises but also small and medium businesses amongst its members. The small and medium businesses, after all, are the backbone of any economy. The summit provides an important forum for not just businessmen of all hues to talk to each other, but also to get their views and perspectives across to government. Many of you have literally travelled half-way across the globe to attend this summit. I urge you to make good every opportunity to catalyse joint ventures and partnerships. That we take this summit seriously is evident from the presence of so many of our premier economic thinkers, financial experts and policy makers amongst the audience. The theme for this year is "Accelerating Growth". That, I think, amply reflects the current state of Indo-US economic relations. According to available statistics, US exports to India registered a growth of 23.3 % during January-May 2006. India's exports to the United States in the same period registered a growth of 19 %. In just the first five months of this year, Indo-US bilateral trade amounted to approximately US \$ 12 billion.

It is well set to overtake last year's figure of \$26.8 billion, which itself

was up from \$21.6 billion in 2004. Our aim is to double bilateral trade to \$60 billion within the next three years. It is an ambitious target. But not a difficult task, given the range of opportunities that abound in India, the new areas opening up for investment literally by the day, and reduced government restrictions on Foreign Direct Investment. As far as the conditions for doing business are concerned, a recent article from Wharton Business School concluded that India is a better place for business compared to China in the long run because of the solid underpinnings for economic growth, including "a democratic government, a strong education system, widespread knowledge of English and a deep pool of expatriates experienced in Western businesses." To that, I would add a vibrant press which keeps the government on its toes. There could be minor hitches in the process of reforms, but as you know only too well, democracy is about checks and balances. Decisions can be taken only after debate and due consideration. Hasty decision making can have its own negative repercussions.

The good news is that mechanisms are in place to identify bottlenecks and removing them. Since the year 2000, when the Indo-US Economic Dialogue was established, a number of commissions and fora have come into existence with the goal of putting business relations onto a higher trajectory. Revitalising economic relations is a priority issue for both the countries as reflected in the Joint Statement signed between our Prime Minister and the US President in July 2005. The objective of setting up a Indo-US CEO Forum, as envisioned in the Joint Statement, was to bring private sector input to government-to-government deliberations. The Forum submitted its report in March of this year during the visit of President Bush. Another important initiative announced by our two governments last year was the establishment of a Trade Policy Forum. The Forum facilitates dialogue in the areas of tariff and non-tariff barriers on industrial products, agriculture, intellectual property rights protection, investment and services. In the year since its inception, three ministerial level meetings and one secretarial level meeting have been held. In the last one, held in Washington in June 2006, it was decided to create a senior-level private sector advisory group to allow for greater interaction between government and private sector trade experts, including from corporations, associations, think tanks and other organizations.

The Trade Policy Forum has proved to be a useful mechanism for removing irritants coming in the way of trade. No doubt, it will become even more effective, with the creation of the advisory group. If trade figures

are any indication, you are already reaping the fruits of these initiatives, with sales of American scientific equipment, coal, silver jewelry, fibre-optic cable, almonds, and power generation equipment sharing a growth of more than 30 percent in 2005. Another sector where there is ample scope for joint ventures is in defence research and production. The Joint statement of July 18, last year, provides for the United States and India to work towards concluding “defense transactions, not solely as ends in themselves, but as a means to strengthen our countries’ security, reinforce our strategic partnership, achieve greater interaction between our armed forces, and build greater understanding between our defense establishments.” And just before the July 18 agreement was reached, I had signed an important defence cooperation agreement with the US government on the above lines. The defence ministry has taken a number of initiatives to energise defence co-production, including opening up of defense production to the Indian private sector with the option of foreign direct investment up to 26 per cent in these companies. There has sometimes been criticism that our defence procurement procedures are time-consuming and opaque. I initiated a policy reforms process two years ago.

Defence Procurement Procedure – 2006 is now a comprehensive document with clearly stated norms and guidelines on ‘Buy’, ‘Buy and Make’ and ‘Make’ procedures. It also includes shipbuilding procedure and Fast Track Procedure for acquisitions. The Offset Policy which was introduced in 2005, is now firmly in position. The long pending request of the Indian industry for a level playing field has also been addressed and necessary orders providing a level playing field have been issued and are now a part of these two documents. With these measures, we have effectively opened the doors for the Indian industry to participate in defence research, development and production. The acquisition of defence equipment is a complex and intricate process. This is necessarily so as defence equipment is expensive involving commitment of substantial public funds. Defence acquisitions, owing to its special features and characteristics, involve a long and deliberate process.

This process is to ensure that the country gets best value for money. To achieve this objective, it is essential that proper procedures for acquisition are laid down and adhered to. These procedures provide the guidelines and norms that would govern the selection of an equipment and its subsequent acquisition. They provide the template against which all steps taken in the acquisition process can be examined for their correctness. Strict adherence to laid down procedures, therefore, ensures

the highest degree of probity and public accountability. It creates the conditions required for transparency, free competition and impartiality. Now all major decisions would be taken simultaneously in a collegiate manner by the Defence Acquisition Council. The generic requirements of the three Services would be placed on the website of the Ministry of Defence to enable vendors to register themselves on the internet. There would be increased transparency in the conduct of field trials. It will be mandatory to sign a pre-contract integrity pact in all contracts over Rs. 100 crores. In 2005, the government came out with a new offset policy which requires that 30 percent of the value of foreign defence contracts over Rs. 300 crores would need to be offset by purchases, investments and transfer of technology to India, to run concurrently with the main contract. That policy has been further amplified in the current set of procedures – a potential vendor now has many more options for fulfilling his offset obligations. He can either carry out direct purchase of goods or execute export orders for defence products, components and services provided by Indian defence industries. Alternatively, offset requirements could also be satisfied through direct foreign investment in Indian defence industries, and even by direct foreign investment in Indian organizations engaged in defence research and development. Roadmap for indirect offsets is also under our consideration.

A Defence Offset Facilitation Agency has been set up, as a single window agency, to facilitate the implementation of the policy. One of the briefs of this Agency will be to assist potential foreign vendors in interfacing with their counterparts in the Indian defence industry for the purpose of identifying potential offset products and projects. With these new and transparent policies in place, my hope is that you will find the defence sector an attractive arena to collaborate and invest in. It is true that the implementation of new policies brings up many problems, and the defence sector has problems that are unique to it, given its size and structure. You have my assurance that timely corrective measures will be taken to smoothen the roll out of the new policy framework. I will welcome suggestions from the industry in this process. Pre-existing barriers and mindsets that came in the way of economic co-operation are in the process of being removed on both sides.

The passage of the Bill on co-operation in the field of civilian nuclear energy by the US Congress would, I believe, benefit the business communities on both sides. Firstly, India is largely dependent on imported oil and gas to meet its energy needs. Our energy consumption levels are going to increase very significantly if we are to maintain a high rate of

economic growth of 8-10 per cent. Conversely, our growth levels could flag if we don't have access to more than one source of energy. If that were to happen, that could have tremendous side-effects since India is poised to be one of the engines of the world economy in the years ahead. Secondly, there is a large body of restrictions on the US side related to the nuclear issue that forms an invisible barrier to trade and investment on the part of both Indian and American businesses. Particularly so in the areas of high-technology trade and co-operation, so vital to the advancement of the economies of our two countries in the 21st century. The benefits of co-operation, not just in trade, but on the other important issues of our times, are brought home to us day after day, and the governments of the two countries owe it to our two peoples to remove those barriers that come in the way of a better quality of life. Once the US Congress passes the Bill, in the form reflecting the understanding between the two governments, it is my belief and hope that Indo-US economic co-operation will finally come into its own. Current bilateral trade between our two countries is one tenth of the trade between the United States and China. There is no reason why levels of trade between our two countries shouldn't rise to, and even surpass, those levels. It is my hope that the 3rd Indo-US economic summit will provide a useful forum bringing about awareness of the opportunities for trade between the two countries.

I wish the summit all success. Thank you.

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430. Response of Official Spokesperson to a question regarding remarks reportedly made by US Ambassador to Pakistan Ryan Crocker.

New Delhi, October 5, 2006.

Please See Document No. 180.

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431. Press Release of the Ministry of External Affairs on the telephone call from President George W. Bush to Prime Minister Dr. Manmohan Singh.

New Delhi, October 16, 2006.

The Prime Minister received a telephone call from President George W. Bush of the United States this evening. This was an opportunity for both leaders to exchange views on current matters. The issues discussed include the Doha Round of trade negotiations, the India-US Civil Nuclear Cooperation understanding, developments in the region including Pakistan and Afghanistan, and recent developments in North Korea. The conversation lasted about 10 minutes.

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432. Telephonic Conversation between Prime Minister Dr. Manmohan Singh and US President George W. Bush.

New Delhi, November 16, 2006.

The Prime Minister had a telephone conversation with President George W. Bush of the United States this afternoon. This was an opportunity for both leaders to exchange views on current matters. They discussed the legislation relating to the India-US Civil Nuclear Cooperation understanding. The Prime Minister expressed appreciation for the President's commitment to the passage of the legislation and hoped that the Bill in its final form will accommodate India's stated concerns¹. The two

1. The next day the US Senate adopted a bill by 85 in favour to 12 against rejecting five killer amendments including one seeking to cap India's fissile material production. On the same day speaking at the Hindustan Times Leadership Summit Prime Minister while welcoming the passage of the bill by the U.S. Senate on the civilian nuclear deal, said there was still a long way to go for the pact to become "a living reality." Aspects of the two bills passed by the U.S. House of Representatives and the Senate were "not identical," and the process of reconciling them would "have to take on board our concerns." "I welcome the decision of the U.S. Senate to approve the bill. Before that, the House of Representatives has done a similar thing," he said. "But we still have a long way to go before nuclear cooperation between India and the U.S. becomes a living reality." U.S. President George W. Bush assured him that he would work to ensure that the final version of the legislation was in conformity with the July 18, 2005 agreement and the

leaders expressed satisfaction at the state of bilateral relations between India and the US. The conversation lasted about five minutes.

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March 2, 2006 separation plan, Dr. Singh said. On the same day when Prime Minister and President Bush spoke to each other on telephone, President Bush from Singapore said that the U.S.- India Nuclear Cooperation Bill, passed by the Senate, would "further strengthen" the "strategic partnership" between the "two great democracies." Prior to his departure from Singapore for Hanoi to attend an Asia Pacific Summit, Mr. Bush said he would now "look forward to signing this bill into law soon." Noting that he "appreciates the Senate's leadership on this important legislation," he expected the bill to serve as a "non-proliferation" measure in the present political ambience on the bilateral front. Mr. Bush said: "The United States and India enjoy a strategic partnership based upon common values. Today, the Senate has acted to further strengthen this relationship by passing legislation that will deliver energy, non-proliferation, and trade benefits to the citizens of two great democracies. As India's economy continues to grow, this partnership will help India meet its energy needs without increasing air pollution and greenhouse gas emissions. It will also help reduce India's dependence upon imported fossil fuels." Mr. Bush drew a fine distinction between this bill and the U.S.-India Civil Nuclear Cooperation Agreement that will catalyse the legislation. The bilateral agreement "will bring India into the international nuclear non-proliferation mainstream and will increase the transparency of India's entire civilian nuclear programme." As a spin-off, the "historic agreement [also] creates new business opportunities for American companies and enhances our trade relationship" by "increasing India's demand for civil nuclear technology, fuel, and support services."

M. R. Srinivasan former Chairman of the Atomic Energy Commission and presently member of the Commission said on Nov. 17 that the Senate passing the bill on India-US civilian nuclear cooperation was "an important development". He added "we have to wait for the joint House and Senate conference when they will have a reconciliation and common resolution. "Placid Rodriguez, former Director, Indira Gandhi Centre for Atomic Research, Kalapakam also called the Senate resolution a "most timely and welcome development". "Let us see now what the joint resolution will contain", he added.

433. Statement by External Affairs Minister Pranab Mukherjee on the passage of the Bill on Indo-US Civil Nuclear Cooperation in US Senate.

New Delhi, November 17, 2006

1. We welcome the passage of the Bill on Indo-US civil nuclear cooperation in the US Senate by an overwhelming majority. This, undoubtedly, reflects the very broad bipartisan support which this initiative enjoys.¹
2. President Bush and Secretary of State Rice have worked personally to ensure the passage of the Bill and we express our sincere appreciation for their tireless efforts.
3. We now expect that the final version of the legislation, which would emerge after the Joint Conference of the House and Senate, should adhere as closely as possible to the understandings incorporated in the July 18, 2005 Indo-US Joint Statement and the March 2006 Separation Plan, so that full civil nuclear cooperation between India and the US becomes a reality and contributes to India's energy security.
4. We understand that, as per present indications, the Joint Conference will convene after the passage of the Bill, and the final version will likely come up for a vote by both Houses when they reconvene after the Thanksgiving holidays, on December 4, 2006. We must await the final version before drawing any conclusions on the legislation.

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1. A few days earlier in the wake of elections to the Congress in which the Democrats won the majority, External Affairs Minister keeping his fingers crossed said in Kolkata (Nov. 12) that he was hopeful that the country's nuclear deal with the U.S would be pushed through despite the changes in the composition in the US Congress. "There are political changes in every country but that does not affect international relations which do not depend on a single political party but on relations between the countries (concerned). "The relationship between India and the U.S has been a long one," he said.

434. Joint Press briefing by Foreign Secretary Shivshankar Menon and U.S. Under Secretary of State for Political Affairs Nicholas Burns.

New Delhi, December 7, 2006.

OFFICIAL SPOKESPERSON (SHRI NAVTEJ SARNA): Good evening to you ladies and gentlemen, and welcome to this joint press interaction. We have here with us Foreign Secretary Mr. Shivshankar Menon and Under Secretary for Political Affairs of the United States Mr. Nicholas Burns. I will first request Foreign Secretary to say a few words followed by Mr. Burns. Then we will take a few questions.

FOREIGN SECRETARY (SHRI SHIVSHANKAR MENON): Good evening ladies and gentlemen. I am very happy to be here with Under Secretary of State Burns.

We have had a very productive day today. We have had a series of talks right through the day where we reviewed the development of our bilateral relations between India and the US. We also discussed regional issues. In the afternoon, he held discussions with PM's Special Envoy Shyam Saran on the civil nuclear agreement that we have between India and the US.

The atmosphere throughout was very positive, very constructive, very forward looking. During the bilateral review we naturally reviewed the state of implementation of the 18th July (2005) and 2nd March (2006) Joint Statements. The last year or so has seen an unprecedented engagement both in terms of depth, in terms of levels, in terms of the wide range of subjects which we have covered between the US and India. So, our job was really quite easy. We noted the progress in all the areas, in trade, in the economy, in energy, in agriculture, IPR issues, space, high-tech, defence, global issues, it really was quite a wide ranging discussion. We are working now on initiatives in each and every one of these fields. We also discussed expanding the horizon of cooperation and look forward to the next year and we hope to continue these discussions today and tomorrow while Under Secretary Burns is here with us here in India.

We also covered regional and international issues where we discussed questions relating to South Asia, to West Asia, and also decided to step up our cooperation in counter-terrorism, an area where we have a clear common interest. In the afternoon when Mr. Shyam Saran was there

he discussed the implementation of the nuclear understandings that we have arrived at between India and the US. Of course, we are awaiting the outcome of the Congressional deliberations. We do not have the text yet of the Bill but Mr. Burns is good enough to give us an idea, a sense of what is happening in Washington.

Overall, at the end of the day I would say that India-US relations are in a process of transformation. The nuclear cooperation is just one part of this overall transformation in the relationship which we are very satisfied and we are looking forward to continuing this. Our conversations today with Under Secretary Burns give us confidence that this will continue. I would now invite him to say a few words to you and then we will both take questions.

US UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS (MR. NICHOLAS BURNS): Foreign Secretary, thank you very much. It is a pleasure to be back in Delhi and in India, and it is a pleasure to be with you and to accept your invitation to participate in this strategic dialogue. Foreign Secretary and I are new partners and we have had an excellent day, a day of very friendly, very productive discussions on our bilateral relationship. We began to talk about the wider region and some global issues which we will continue to discuss this evening and again tomorrow.

But I would characterize this period as a period of, a time of great accomplishment in US-India relations, a time of some success and I think some optimism about the future of this relationship. It has been a year and half since Prime Minister Singh came to Washington for that historic meeting on July 18, 2005 with President Bush and the two leaders established an ambitious framework for this relationship. The Foreign Secretary and I are trying to help our two Governments fulfill that vision, and I think in large part we are doing it.

You know that we have just had the largest ever US trade delegation to India just in the last week. We have had our Agriculture Secretary here, to talk about an initiative very important to both our countries, but particularly to the Indian Prime Minister, to see if United States and India can combine again on a second Green Revolution as we did forty to fifty years ago on the first.

We have also had a delegation just recently led by our Under Secretary of Defence to see if we can chart better and greater military cooperation between our two Governments. All of this speaks to a

relationship that is, as the Foreign Secretary says, under significant and positive transformation from the American point of view. We are very pleased about all this cooperation.

We also tried to look ahead today to 2007 and 2007 is going to be a very active year in the US-India relationship. We want to see and to conclude of course all the implementing steps in the civil nuclear accord. We want to fulfill the mandate of Prime Minister Singh and President Bush from March 2, 2006. This extraordinary number of joint ventures from agriculture to education, to space cooperation and space launch, to trade, to the CEO forum, all of the different measures that are transforming this relationship into, for the United States, one of our most important global partnerships - strategic partnerships.

As the Foreign Secretary said, we need to look at areas where we can do more together. Certainly, counter-terrorism is an area where India and the United States face very similar threats where unfortunately and tragically Indian citizens have been killed in terrorist attacks, and the same is true for my country. We want to be a good friend and supporter of India in this round and we wanted to chart a new era of cooperation on counter-terrorism.

We also, of course, are partners for peace and for stability. I look forward to talking to the Foreign Secretary this evening and tomorrow about what we can do together to bring peace and help to bring peace to Sri Lanka, and stability to Bangladesh, and peace in Nepal. Certainly the United States will always encourage and always support steps by India and Pakistan to bring that relationship to one of closer cooperation. So, it has been a very good day.

I would like to say a word about the civil nuclear accord. This has occupied a lot of our time over the last year and a half. It is a pleasure to talk to the Foreign Secretary and a pleasure to see Shyam Saran again and to speak to him. As the Foreign Secretary said, our Congress has been meeting over the last two weeks to put the two Bills that have been passed by historically large margins in the House by over 380 votes in the Senate, 85 to 12, to put them together into one final Bill, what we call a Conference Bill, that we hope and expect will be voted upon in the next thirty six hours or so. That Bill will then be sent to President Bush, and I am sure that he will be very pleased to sign that Bill into law.

Since we have not seen the text of the Bill, the Congress has not yet

sent it to our Administration, I could not comment on the details because we have not seen them. But I would say this. Based on my own interaction with Members of Congress and their staff over the last two weeks, I anticipate a very successful and supportive Bill. I think the Bill that will emerge will support the agreements of July 18, 2005 and March 2006. It will be, in my judgment, well within the parameters of the agreement that we made between our two leaders in March 2006 and again in July 2005. It will be a Bill that will allow us to look towards 2007 and to complete all the necessary steps - the bilateral civil nuclear accord, the 123 agreement, of course, the provisions that India must undertake with the IAEA, etc., - so that we can put into place we hope as quickly as possible in the coming year a full agreement and actually have the United States and our companies here assisting India to develop its civil nuclear sphere.

It will be a tremendous achievement for both countries, I would say historic. From an American point of view it is particularly significant because it is a very strong bipartisan agreement, by the President's party, the Republican Party, and by the Democratic Party and its leaders in the Congress.

While we have not seen the final Bill, I am very optimistic. It is going to put it in a very good place and we look forward to seeing it and then discussing it with the Indian Government and having our Congress move ahead.

QUESTION: I have a question for Ambassador Burns. Ambassador Burns, even though you have not seen the final draft of the Bill, can you tell us something on the Iran that reference that may be binding upon India. Mr. Menon, Sir, do you think there is a very wide-ranging relationship between India and the US ... The nuclear deal is an attempt to bring it off the ground? Would you say that it symbolizes a shift, it makes India and US a very special partnership and a very special friendship and, in a sense, similar to what India and the Soviet Union had before the Cold War?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: You are right. Since I have not and no one else in our Administration has seen the final Bill, I simply cannot comment. I would not know.

QUESTION: Could you try?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: No, I think that would be a great mistake to try to imagine what the Congress is going

to say in this issue because it is up to the Congress say that. But I will say this. We greatly respect the fact that India and the United States and all other countries around the world have to react to the challenges posed by Iran in the case of the nuclear programme. I would say that India and the United States have been in the mainstream of international opinion. When the IAEA Board of Governors met on February 4th of this year and voted to repudiate the Iranian nuclear programme, Brazil, Egypt, Sri Lanka, Ecuador, Japan, Australia, all the European countries, Russia and China, all of us sent the same message. And, so, I think India and the United States have been part of this global effort to say to Iranians, 'We want to work with you.' We the United States believe that Iran has a right to civil nuclear power. In fact President Bush said as early as a year ago that he will support President Putin's initiative to supply civil nuclear power to Iran but Iran turned that down. I think all of us are just saying that we do not want to see a nuclear weapons power emerge in Iran. And so, India from my perspective is in the mainstream of that global opinion that unites Russia, China, Egypt, India, United States, lots of different countries. And I think India has to have a very responsible policy towards Iran. So, I do not expect any major surprises from the legislation that is going to emerge.

FOREIGN SECRETARY: Thanks for your question about the relationship, how to characterize it, how does it compare with other things. I think when I said that the nature of our relationship now is really unprecedented, with the sort of engagement we have. I think what I was trying to say is that please do not compare it with either what we have done before - because we have never done this before, India and the US - or with other relationships for one very simple reason. The world has changed, we have changed. None of us is what we were twenty years ago, thirty years ago. And we are now capable of doing things which we were not capable of doing then. And that is true of us all in the world. So, please, that is why I used the word unprecedented. But my hope is that we can carry on this process of transforming the relationship and I am very optimistic for the future of the relationship that as our capabilities grow, our common interests grow, and we learn to work with each other as we have shown over the last year and a half, on civil nuclear energy, as we go through this process, I think the prospects just keep opening up.

QUESTION: You have just said that the final legislation will be well within the parameters of the July 18 agreement. President Bush had assured that India will get uninterrupted fuel supply and that includes from strategic reserves. Will these commitments be kept?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: Thank you. Your question gives me the opportunity to thank the Congress of the United States. I think the Congress has acted in a very supportive way of the Administration. We thank Members of the Democratic and Republican parties for their efforts and we anticipate a very supportive Bill. The United States intends to meet all the commitments that we made to the Indian Government on July 18, 2005 and on March 2, 2006 and that includes the commitments that we made on fuel assurances because that was an important part of the agreement, particularly the March 2nd agreement. We believe this Bill will be within the parameters, as I said, of the two agreements. Therefore, we will welcome the Bill, I am sure the United States Government, and we will also go ahead and implement all the obligations that we incurred as we agreed to these Bills. And then we need to get on to, I think frankly to an easier stage. The most difficult part of this process, in my view, as the person who negotiated this with the United States, has been the last 18 months. We have some very tough issues to deal with. We were in uncharted waters because, of course, there had never been a deal quite like this. We felt strategically it was right to recognize everything that India had done to be a responsible steward of its nuclear technology, and it was right to welcome India again to the mainstream of the nonproliferation community, and it is right to break down the barriers of the last three decades that have kept India on the outside.

What I think the Congress of the United States will be doing, and this is a very decisive moment, is to pass legislation that will essentially agree to welcome India into the nonproliferation community, to allow the barriers to come down, to see a type of cooperation we have not been able to have since the 1970s. So, it is going to be a historic time. As we look towards 2007, I think the completion of the 123 agreement is really a codification of the major and difficult decisions we have already made. Of course, it is a long process towards the finish line, but it is not going to be, in my judgment, as difficult as the last 18 months. So, it is the time I think for us to be thankful for the work that we have done and to congratulate ourselves that we have come a long, long way. We think it is in the best interest of the United States and we also hope that it is in the best interest of India and that you see it that way as well.

QUESTION: I have a question to Mr. Menon. In Parliament today the External Affairs Minister has said that the Indo-US nuclear understanding is based on its own merits and it cannot be linked either to North Korea's nuclear test or Iran's nuclear policy. Given that Iran is very much a part of

the two Bills, including the Senate version, if this is India's position what can we do to de-link ourselves from the legislation in the versions that we have already seen? My question to Mr. Burns is, India voted in a certain way in September last year and in February. Supposing we had abstained or voted against the established position of the United States, would we be considered irresponsible as far as staying away from the international mainstream of counter-proliferation efforts?

FOREIGN SECRETARY: You obviously know more than I do about this Bill. I have not seen it. So, I would rather not comment on something that is hypothetical. But our basic approach is quite clear. What is being done here and what we have both agreed to do here, on the basis on which we have spoken to NSG, for instance, is that we are doing a stand alone arrangement recognizing India's unique position (and) the responsible role that we played in nuclear affairs, and our need for civil nuclear energy cooperation with the rest of the world. But it is a special arrangement that we have worked out and it is on that basis that we are moving forward. How it is linked to one provision or the other of the Bill, how those provisions work themselves out, all that for us is hypothetical until we see the Bill. So, I am not going to comment on that.

US UNDER SECRETARY FOR POLITICAL AFFAIRS: I am afraid that I am going to avoid answering a hypothetical question. It is not in my interest to answer a hypothetical question but I will say this. Everyone understands that India is a great country, and a sovereign country and nobody in our system, whether it is in the executive part of our Government or legislative, would ever want to infringe upon India's right to make its own sovereign decisions. That is a fundamental tenet of international politics, and particularly, of this relationship of trust and respect that we have developed over the last several years. And so, in every respect you are going to see an American Administration and an American Congress I believe very respectful of India's sovereignty and India's independence.

I would also say this, it just bears repeating a point I made earlier, it is important that Iran is being sent one message on its nuclear weapons programme from China, Russia and the other countries of the Permanent Five members of the Security Council including my own, and countries like India. I think that degree of unanimity on that particular question is important to Iran. We seek a peaceful, diplomatic solution to the problem of Iran's nuclear weapons. I would not read too much into what the Administration is saying, what others may say because I think we should accentuate the

positive that all of us have stood together with a message of peace and a message of diplomacy. That is a positive message which we hope the Iranians will react to.

QUESTION: Ambassador Burns, you have been very confident that the final legislation will be within the parameters of the July accord. But there has been a lot of opposition to the Bill here in India. No matter what the final legislation, there will be loud cries; there will be cries of sell out perhaps in some sections. Are you not scared that given the amount of time and effort that has been invested in this nuclear deal that if it is not well received in India, then it could impact the whole relationship?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: I think the US-India relationship is very strong and I have great confidence that we are going to carry that forward in the future. I think it is interesting if you go back and look at some of the reactions in the United States as well as in India to both the July 18 announcement but particularly the March 2 agreement. No sooner had we left Hyderabad House that there was a chorus of voices in the United States and our nonproliferation community condemning the American Administration for what we have done. There were a lot of people, including in the Indian press, predicting in March of this year that we would not have the kind of success we have had in the American Congress. I think we broke new ground. We took a thirty-year policy of keeping India on the outside, of preventing India from participating in normal international commerce and trade, and nuclear technology and we changed it - our two Governments, particularly our two leaders. And sometimes change is difficult for people to accept. But you have seen in the United States, the Democrats, Republicans, the leadership of both Houses of the Congress come together to support this. I have been pleased to see a large measure of support in India's as well for this. Now, of course, any initiative like this that is so historic, that changes policy in such a revolutionary way is going to encounter some criticism. We expect that in a democratic society though we are confident in the United States, we have done the right thing here and that it is going to make sure, it is going to ensure that this relationship between India and the United States prospers in the future.

QUESTION: Ambassador Burns, my question was what is the kind of feedback that you from NSG countries, in particular China?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: Well, you are right to suggest that at the end of this process, the Nuclear Suppliers

Group is going to have to agree by consensus, meaning everyone, to make the same type of changes in NSG practice that the United States Congress is just about to make today or tomorrow in the United States' law. We spent the better part of the last year talking to our partners, including the Chinese Government and others, about this arrangement and we are, of course, enthusiastic supporters of the Nuclear Suppliers Group taking a positive initiative to support India. I think the great majority of countries in the NSG have already come out to support India. There are some who have not and there are some who have asked questions and who have been moderately critical. But I am confident that at the end of the day when this is presented to the Nuclear Suppliers Group it will pass by consensus and we will see the international community, in essence if you will, follow the lead of the United States, that our President has taken in suggesting that it is time that India be given its right and it is time that India be allowed to participate with all of our companies to develop its civil nuclear power sector. This is the right thing for the world as well as for our two countries.

QUESTION: My question is to Mr. Burns. There were a couple of concerns in the Indian strategic establishment over the Bill. I will just name two. One is the feared nuclear apartheid. The second is that of end use certification. What is your sense of these Indian concerns being met? My question to Mr. Menon is that the BJP went ballistic today accusing the Prime Minister of demeaning conduct in pursuing the nuclear deal with the US. The BJP also said they took exception to the Prime Minister entering into conversation with important American Senator.

US UNDER SECRETARY FOR POLITICAL AFFAIRS: Sir, I apologize, I did not quite get your second question to me..

QUESTION: End use certification and feared nuclear apartheid....

US UNDER SECRETARY FOR POLITICAL AFFAIRS: Well, let me just say, I am kind of surprised that anybody would use the term 'nuclear apartheid'. India, it is true, has been kept out of the system for thirty-five years. India has not been given its rights. What President Bush and Prime Minister have done is essentially work for the liberation of India and to allow India's scientific and technological community to be able to work on an equal basis with their brethren in the United States and in Europe, and in Russia and China. So, we look at this as the liberation Act of 2006 and 2007 for India's civil nuclear power effort.

And the arguments we have made around the world is, how do you

keep the country that will soon be the largest country in the world by population, India, out when that country has been responsible, when it has not traded its nuclear technology on the world market or black market, when there are environmental and energy benefits to this that will accrue to the Indian people as well as to the whole world. We saw this as an issue of great strategic importance, of strategic liberation. As I said before, sometimes people when they react to change do so in a conventional way. This is undoubtedly the right step to take for the whole world and I think you are going to see a very large majority in support in our own country but also around the world.

FOREIGN SECRETARY: I am not sure what statement you are talking about but if your characterization of it is accurate about the Prime Minister's behaviour being described as somehow 'demeaning', it seems to me that it shows the complete misunderstanding of a democratic way of working. Here is an issue between India and the US which we have been working on, now for 18 months, which is in our common interest. If somebody talks to you about it, you tell him what you think, I think that is perfectly normal to have conversations between us. That is what we did all day. We talked about the issues that we want to move forward and that is the normal democratic way of working. So, I cannot see how these things are demeaning. I do not see protocol or anything coming into it if we discuss these things among ourselves. This is what two friendly countries do, and leaders in these countries will do this. This is normal. But quite frankly, I have not seen exactly what you are talking about.

QUESTION: My question to Mr. Burns is what is the Administration's view on the likely provisions of the Bill on spent fuel end use by India? To Mr. Menon, what is India's position on fall back safeguards?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: You know where the Foreign Secretary and I are, in a particular position. Neither of us has seen the text of the Bill, the common Bill, the conference Bill. It is emerging and so to answer detailed questions about the spent fuel end use is really impossible. It would not be very wise for me to try to guess as to what would be in there. But I will say this.

QUESTION: What is the Administration's view?

US UNDER SECRETARY FOR POLITICAL AFFAIRS: You are asking me to comment on the Administration's view on a piece of legislation that I have not seen. And perhaps tomorrow, I will be here in India tomorrow,

if I see one of you in the streets you can ask me that question and if I have seen the Bill I will give you the answer. But let me just say this. What this Bill is going to do is going to operationalise the intent that President Bush and Prime Minister Singh and is that is to open up the flow of capital and technology to help India develop its civil nuclear sphere so that a greater part of your energy production can come from that. It is clean energy, it is cheaper energy, and it is energy that is going to benefit your particularly agricultural population. That is what it is going to do. The rest is detail. So, that is why we are in favour of what we have been doing for the past 18 months.

FOREIGN SECRETARY: I think your question to me was, what is India's position on fallback safeguards? Our position is that which was expressed by the Prime Minister in the Parliament on the 17th of August 2006. The rest is hypothetical.

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435. Press Release issued by the Prime Minister's Office on the telephonic call received by Prime Minister from the U.S. President George W. Bush.

December 21, 2006.

The Prime Minister, Dr. Manmohan Singh received a telephone call from President George Bush this evening. The two leaders expressed happiness at the strengthening of the bilateral relations highlighted in President Bush's initiative to amend US laws to enable bilateral civil nuclear cooperation, which received strong bipartisan support in the United States Congress.

The Prime Minister said India still has some concerns, though many have already been addressed in the President's signing statement. Both leaders expressed the hope that remaining concerns will be addressed in the next stage of negotiation.

The two leaders also discussed other subjects including regional matters. The Prime Minister conveyed season's greetings to President Bush and Mrs. Bush.

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436. Statement by Official Spokesperson on the outcome of the Conference in the US Congress reconciling the Waiver Bills on civilian nuclear energy cooperation between India and the USA.

New Delhi, December 8, 2006.

Government welcomes the outcome of the Conference in the US Congress that has reconciled the Waiver Bills earlier passed by the House of Representatives and the Senate respectively which would enable resumption of civilian nuclear energy cooperation between India and the USA.

The Bill awaits favourable votes by the House and the Senate. The US Administration has assured us that once passed, this legislation would enable it to fulfill all its commitments and obligations under the 18 July Joint Statement and the Separation Plan.

The enactment of the waiver has wider implications for India's access to international cooperation in civilian nuclear energy and is, therefore, of historic significance.

We appreciate the personal effort and commitment demonstrated by President Bush and Secretary of State Condoleezza Rice in taking this initiative forward. We are also encouraged by the broad bipartisan support of the Congressional leadership for stronger Indo-US ties.

Government also notes that this draft legislation contains certain extraneous and prescriptive provisions. As Prime Minister stated in Parliament, no legislation enacted in a foreign country can take away from us the sovereign right to conduct foreign policy determined solely by our national interests.

The legislation that would be passed is an amendment to a law of the United States. Our obligations and commitments will be those that we undertake in the bilateral 123 Agreement. We expect that to adhere to the 18 July Joint Statement and the Separation Plan. We look forward to working with the US Administration for an early conclusion of a satisfactory Agreement¹. External Affairs Minister will be making a statement² in the Parliament soon.

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1. On December 9 President Bush made the following statement welcoming the US congress passing the nuclear energy cooperation bill: "Congress has agreed upon bipartisan legislation that will strengthen the strategic relationship between America and India and deliver valuable benefits to both nations. I am pleased that our two countries will soon have increased opportunities to work together to meet our energy needs in a manner that does not increase air pollution and greenhouse gas emissions, promotes clean development, supports nonproliferation, and advances our trade interests. I appreciate Congress' support for the U.S.-India civil nuclear cooperation initiative and would like to thank Chairman Hyde, Ranking Member Lantos, Chairman Lugar and Ranking Member Biden for their leadership on this extraordinary legislation. I look forward to signing this bill into law soon."
 2. Please see Document No. 078.

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THE BAHAMAS

437. Press Release of the Ministry of External Affairs on the visit of Minister of Foreign Affairs and Public Service of The Bahamas.

New Delhi, January 25, 2006.

H.E. Mr. Frederick A. Mitchell, Minister of Foreign Affairs and the Public Service of The Bahamas led a comprehensive delegation on an official visit to India from January 22nd to 29th, 2006.

During the visit he called on Minister of State for External Affairs Rao Inderjt Singh on January 24th and discussed wide range of issues exploring cooperation in the fields of technical, economic, maritime, education, shipping, IT and culture. During the visit, a bilateral cooperation agreement was signed which will lead to better cooperation and cementing of friendly ties. He also met Minister of Shipping and MOS, Ministry of Communication and Information Technology and discussed ways to augment better cooperation and understanding in these fields.

An understanding between the Chamber of Commerce of India and the Bahamas was also signed to facilitate business. Keen to learn and benefit out of our expertise and success in the fields of IT, software, small-scale industries and health services, the visiting delegation visited NASSCOM, TCS, NSIC centers and met HSCC representatives. The visiting dignitary discussed cooperation in financial sector and met officials of SBI.

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BRAZIL

438. Arrangement between the Government of the Republic of India and the Government of the Federative Republic of Brazil on Gainful Occupation for Family Members of a Diplomatic Mission or Consular Post.

Brasilia, February 2, 2006.

The Government of the Republic of India and the Government of the Federative Republic of Brazil:

Noting the difficulties encountered by members of the family forming part of the household of a member of a diplomatic mission or consular post who wish to engage in a gainful occupation;

Realising that many members of such households, in particular spouse, may wish to work in the State where the member of a diplomatic mission or consular post is assigned to duty;

Desirous of facilitating the engagement of such family members in a gainful occupation in the receiving State:

Have agreed as follows:

1. Authorisation to engage in a gainful occupation

- (a) The members of the family forming part of the household of a member of a diplomatic mission or consular post of the sending State shall be authorized, on a reciprocal basis, to engage in a gainful occupation in the receiving State in accordance with the provisions of the law of the receiving State.
- (b) The receiving State shall retain the right to withhold authorization for employment in certain areas.
- (c) Any authorization to engage in a gainful occupation in the receiving State shall, in principle, be valid only during the tenure of the member of a diplomatic mission or consular post in the receiving State.

2. Definitions

For the purposes of this Arrangement:

- (a) “A member of a diplomatic mission or consular post” means any employee of the sending State who is not a national of or permanently resident in the receiving State and who is assigned to official duty in the receiving State in a diplomatic mission, consular post or mission to an international organization;
- (b) “A member of the family” means the spouse of a member of a diplomatic mission or consular post, any minor children and any unmarried, dependent children up to the age of 25 years who form part of the household of a member of a diplomatic mission or consular post.

3. Procedures:

- (a) A request for authorization to engage in a gainful occupation shall be sent on behalf of the member of the family by the diplomatic mission or consular post of the sending State to the Protocol Division of the Ministry of Foreign/External Affairs of the receiving State.
- (b) The procedures followed shall be applied in a manner so as to enable the member of the family to engage in a gainful occupation as soon as possible and any requirements relating to work permits and similar formalities shall be favourably applied.

4. Civil and administrative privileges and immunities

In the case of members of the family who enjoy immunity from the civil and administrative jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations, 1961 or Vienna Convention on Consular Relations, 1963 or under any other applicable international instrument including the rules of customary international law, such immunity shall not apply in respect of any act or omission carried out in the course of the gainful occupation and falling within the civil or administrative jurisdiction of the receiving State.

5. Criminal immunity

In the case of members of the family who enjoy immunity from the criminal jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations, 1961 or under any other applicable international instrument:

- (a) The provisions concerning immunity from the criminal jurisdiction of the receiving State shall continue to apply in respect of any act carried out in the course of the gainful occupation.
- (b) However, in the case of serious offences, upon the request of the receiving State, the sending State shall give due consideration to waiving the immunity of the member of the family concerned from the criminal jurisdiction of the receiving State.
- (c) The sending State shall also give due consideration to waiving the immunity of the member of the family from the execution of a sentence.

6. Fiscal, social security and exchange control regimes

In accordance with the Vienna Convention on Diplomatic Relations, 1961 or under any other applicable international instruments members of the family shall be subject to the fiscal, social security and exchange control regimes of the receiving State for matters connected with their gainful occupation in that State.

7. Settlement of disputes

Any differences or disputes regarding the interpretation or application of this Arrangement shall be settled through mutual consultations.

8. Entry into operation

1. Each Contracting Party shall notify the other of the compliance with the respective internal legal procedures for the entry into force of this Arrangement, which shall take effect 30 (thirty) days after the date on which the second notification is received. This Arrangement shall remain in force for an indefinite period.
2. The present Arrangement may be amended, through diplomatic channels, by mutual consent of the Contracting Parties. Amendments shall take effect according to the provisions of paragraph 1.
3. The present Arrangement may be terminated upon written notice from any of the Contracting Parties. The termination shall be effective 6 (six) months after the date of notification.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Arrangement.

Done at Brasilia on the 2nd day of February 2006 in three original

each in the Hindi, Portuguese and English languages, all texts being equally authentic. In case of any divergence, the English text shall prevail.

**For the Government of the
Republic of India**

**For the Government of the
Federative Republic of Brazil**

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439. Special Media Briefing by Foreign Secretary Shyam Saran on the visit of Prime Minister Dr. Manmohan Singh to Brazil and Cuba.

New Delhi, September 8, 2006.

Please see Document No. 049.

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440. Statement of Prime Minister before his departure for his visit to Brazil and Cuba.

New Delhi, September 10, 2006.

I will be visiting Brasilia at the invitation of President Luiz Inacio Lula da Silva. The bilateral visit to Brazil on September 12 will be followed by the India-Brazil-South Africa (IBSA) Summit where President Mbeki of South Africa will also be participating.

I expect that my visit to Brazil will consolidate an extremely positive trend in our bilateral relations with that great country which we consider as one of our main partners in Latin America. I hope to discuss a wide range of issues including adding content to our political and economic interactions and cooperation in defence, agriculture and energy security. Brazil and India already enjoy an excellent tradition of cooperation in international fora.

IBSA has already emerged as a shining example of South-South Cooperation. The first IBSA Summit will provide a useful opportunity to review the progress that has been made over the last 3 years since IBSA

was first established. Our discussions are expected to focus on issues of global concern including energy security, international terrorism and the challenges of sustainable and equitable development. An IBSA Business Summit will add a new dimension to our interactions.

We have enjoyed close, friendly and historic relations with Cuba. I am looking forward to participating in the 14th NAM Summit Conference being held in Havana. As a founding member of this great Movement, India will play its part in helping NAM to revitalize itself so as to pursue the shared interests of its member states in a transformed world. Mutual support and solidarity among NAM members is of prime importance as we confront several common challenges such as making globalization more inclusive, the scourge of terrorism and addressing widespread hunger, poverty and disease. We will rededicate the Non-Aligned Movement to the universal causes of peace, disarmament and the progress and prosperity of all human kind.

During my stay in Havana, I look forward to fruitful interactions with a number of leaders from the developing world.

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441. Joint Communique issued on the visit of Prime Minister Dr. Manmohan Singh to Brazil.

Brasilia, September 12, 2006.

1. At the invitation of H. E. Mr. Luiz Inacio Lula da Silva, President of the Federative Republic of Brazil, H. E. Manmohan Singh, Prime Minister of India, accompanied by a high level delegation, paid an official visit to Brazil from September 11 to 14, 2006.
2. During their bilateral meeting on 12 September, the two leaders recalled the milestone visit of President Lula to India in January 2004 as the Chief Guest at the Republic Day ceremony. Since then, bilateral relations have intensified and deepened. They acknowledged the significance and substantive importance of a bilateral visit to Brazil by an Indian Prime Minister after an interval of 38 years. Brazil and India recognize that their relationship has now reached the level of a strategic partnership.
3. President Lula and Prime Minister Singh reviewed the bilateral agenda and exchanged opinions on various issues of the international

agenda, as well as on the political and economic situation in their regions. They reaffirmed their commitment to work towards a qualitative upgrading of the broad-based bilateral relationship between the two large democracies that share a multicultural and pluralistic ethos and common developmental aspirations.

4. An important outcome of the meeting was the decision to initiate a bilateral strategic dialogue covering regional and global issues of mutual concern such as energy security and the international security situation, including the menace of terrorism. This will be conducted by the National Security Advisor on the Indian side and the corresponding authorities in the Brazilian Government.
5. The two leaders noted with satisfaction the growth of bilateral trade and investment between India and Brazil. They expressed satisfaction at the quantum leap registered by the two-way bilateral trade and resolved to create an enabling environment to deepen and diversify the growing commercial and economic interaction encompassing trade, investment and technology. To this end, exchange of business delegations, increased participation in each others trade events and promotion of mutual investment and setting up of Joint Ventures would be undertaken in a concerted manner. The two sides would also encourage establishment of business linkages in banking and other service sectors. They committed themselves to encourage the public and private sectors of their respective countries to increase and diversify the bilateral flows of goods and services.
6. They emphasized the significance of bilateral technological cooperation in all aspects of energy research and development, with a view to improve and diversify the energy supply and to develop more efficient, affordable and cost effective energy technologies. In this context, they encourage the development and use of alternative sources of energy particularly of bio-fuels to enhance sustainability and they reaffirmed that new forms of energy that are clean, safe and economically efficient should be fully explored. To this end, they decided to create a Joint Committee on Biofuels.
7. President Lula and Prime Minister Singh celebrated the signature of the Exchange Programme on Cooperation in the field of Education, during the Joint Committee Meeting, in January 2006 and reaffirmed that priority should be given to the cooperation in fields such as post-graduation, research, professional education and remote education

courses. They noted with satisfaction the strengthening of the relations among universities of the two countries, that will be further improved by the first meeting of the Joint Working Group, to be held before the end of the year.

8. India and Brazil announced that they would shortly be opening Cultural Centres in Sao Paulo and in New Delhi. Further, as provided for under an MoU signed on the occasion, it has been agreed to organize Weeks of Indian Culture & Weeks of Brazilian Culture on a reciprocal basis in 2007. The two countries will also cooperate in promoting exchanges in the field of football and training of Indian players and coaches. People-to-people contacts as well as forging of institutional and academic linkages will also be fostered by the two sides in a systematic manner.
9. Both sides agreed to station Defence Attaches in each other capitals. President Lula announced his intention to promptly appoint the Brazilian Defense Attache. They also agreed to establish a Joint Defence Committee in pursuance of the Defence Agreement signed in December 2003, once the domestic requirements for the entry into force of this Agreement have been completed.
10. The National Institute of Metrology, Standardisation and Industrial Quality (INMETRO) and the National Physical Laboratory of India (NPLI) agreed on the content of a Memorandum of Understanding, concerning scientific and technological co-operation in the areas of Chemistry, Physics and Engineering Measurement Sciences. Both sides manifested the intention of signing the document, during the meeting of the International Bureau of Weights and Measures, to be held in Paris, during the current year.
11. President Lula and Prime Minister Singh reaffirmed that international terrorism constitutes one of the most serious threats to peace and security and emphasized the need for concerted and coordinated action by the international community, with the ultimate objective of eradicating terrorism in all its forms and manifestations. They reaffirmed their full support for the implementation of all the measures to combat terrorism outlined in relevant UN Security Council Resolutions and stressed that international cooperation to combat terrorism should be conducted in conformity with the principles of the United Nations Charter, international law and relevant international conventions.

12. President Lula and Prime Minister Singh underscored the priority that both governments attach to reforming the United Nations to make it more effective and attuned to present day realities. India and Brazil will continue to work closely together in the framework of G-4 in order to realize their aspirations to serve as permanent members on a reformed and expanded UN Security Council so as to make the world body more democratic, representative and reflective of the changed world order.
13. They also reaffirmed their commitment to fighting hunger and poverty, promoting democratic values and fostering economic development and emphasized the importance of implementing the Millennium Development Goals. They supported, in this regard, the promotion of innovative financing mechanisms aimed at complementing existing ODA flows on a stable and predictable basis. In particular, they expressed their satisfaction with the launching of the International Drug Purchase Facility (UNITAID), a mechanism based on innovative funding and other sources of long-term financing as a means of enhancing the access of poor people in developing countries to drugs against AIDS, malaria and tuberculosis at affordable prices.
14. President Lula and Prime Minister Singh stressed their intention to continue working with the G-20 towards the resumption of the negotiations of the Doha Round. They agreed that the substantial, political and technical work that has been carried out so far provides a solid platform for the continuation of WTO talks and expressed their confidence that WTO members will be prepared to reengage in the negotiations in the near future.
15. President Lula and Prime Minister Singh expressed the view that the IMF must be reformed to reflect the current realities of the global economy and this must include a reform of quotas with a higher allocation to the developing countries so as to ensure more effective participation by them in the decision making processes of the IMF. Any changes that are proposed must be based on these principles.
16. The talks were held in an atmosphere of warmth and trust with the objective of further strengthening the friendly relations and multifaceted cooperation between the two countries. The next meeting of the Joint Commission to be hosted by India in New Delhi would provide an opportunity to review the progress accomplished in strengthening bilateral interaction and explore possibility of utilizing

cooperation in areas such as disaster management, mutual legal assistance, water resources and rural development.

17. During the visit, the following bilateral acts were signed: a. Bilateral Agreement on Scientific and Technological Cooperation; b. Air Services Agreement; c. MoU on Cooperation in the field of Human settlements d. MoU on Plant Health Protection; e. MoU on Conduct of Weeks of Indian Culture in Brazil & Weeks of Brazilian Culture in India. f. MoU between Bureau of Indian Standards & ABNT. g. MoU between Petrobras and ONGC-OVL h. MoU between Bharat Earth Movers and CCC
18. The Agreements and MoUs signed today reflect the mutual desire to impart a strong impetus to the growing bilateral ties with a view to realizing the full potential of the relationship between the two countries.
19. Prime Minister H.E. Dr. Manmohan Singh invited H.E. the President of the Federative Republic of Brazil to visit India.

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442. Statement of Prime Minister Dr. Manmohan Singh at the Joint Press Conference with President Luiz Inacio Lula da Silva of Brazil.

Brasilia, September 13, 2006.

It is indeed a pleasure and privilege to visit this beautiful country. I would like to thank President Lula for the extremely gracious reception and hospitality. My visit to Brazil is after a 38 year-old hiatus since the last visit by Prime Minister Indira Gandhi. The significance of this bilateral visit is further enhanced by the holding of the first IBSA Summit which would be taking place tomorrow.

India and Brazil are large pluralistic democracies. Our economic growth is broad-based and multifaceted. This provides opportunities for expansion of our bilateral trade and economic relations. Our economic growth is also of global significance, as part of the so-called BRIC countries.

I convey to President Lula today that India will support all efforts to ensure a qualitative transformation of our bilateral relations and their elevation to that of a strategic partnership. I am very happy that President Lula has graciously accepted this suggestion. To further facilitate and coordinate cooperation in various areas, a strategic dialogue has been agreed to.

Our bilateral trade has grown in the last five years. From a mere 500 million dollars in 2002, trade between our two countries has increased fivefold to reach 2.5 billion. We are hopeful of further rapid expansion in our bilateral trade in the coming years. Implementation of the India-MERCOSUR PTA and the proposed deepening and expansion of our trade relations in the framework of IBSA will be important steps in that direction.

We are indeed gratified that there has been an upsurge in investment flows. Major Indian companies such as Tata Consultancy Services, Ranbaxy, Dr. Reddy's among others, have taken advantage of opportunities in the Brazilian market. ONGC Videsh has earmarked approximately 400 million dollars for acquisition of a state in an offshore block in South-East Brazil.

It is my sincere conviction that there is considerable scope for the expansion of our cooperation in the agricultural sector, particularly food processing. We would like greater interaction between our agricultural universities and food processing sectors. We invite Brazil to partake in India's success in IT, Bio-technology and Pharmaceuticals.

We have supported the Ethanol Initiative proposed by President Lula. Indian companies from both public and private sector have evinced interest in exploring production opportunities in Brazil to meet the anticipated growth in Ethanol used in India for both industrial as well as automobile use.

India and Brazil have a long tradition of cooperation in international fora including on global trade and economic issues. We have worked together in the WTO and are both united in our desire for a successful conclusion of the Doha Round of negotiations. We have been partners in the G-4 efforts to work towards expansion of the Permanent Membership of the UN Security Council. Brazil will have the distinction of hosting the first Summit of IBSA tomorrow.

I am very satisfied with my discussions with President Lula this morning. We have covered a whole gamut of relations covering bilateral relations as well as regional arrangements and cooperation in multilateral

fora. For me, this visit is a voyage of discovery, to explore in all sincerity the immense scope for expanding areas of cooperation between Brazil and India. In President Lula we have a brother and a friend. We admire the leadership that he has provided to the developing world as a whole. In him we have a world statesman and it has been a great honour and privilege for me personally to have worked very closely with President Lula in bringing our countries together in diverse fields. We have begun well. But we have a long journey ahead of us and we are confident of traveling that distance together. I have come to Brazil for the first time, but I am leaving behind a part of my heart. I wish him all success in the noble task of building a new Brazil which will be a source of mighty strength for all developing countries. We must endeavour and we shall be seeking to build a new international order which is both more equitable and more participatory developing countries. In that struggle, it is a great source of strength to us to have leaders of the eminence of President Lula. I thank you Mr. President for what you are.

I would like to thank President Lula again for his hospitality and I look forward to welcoming him in India.

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CHILE

443. Press Release of the Embassy of India in Santiago on the visit of Minister of State Anand Sharma to Chile.

Santiago, March 28, 2006.

India and Chile discussed issues of bilateral, regional and international interest at two days of high-level meetings held in Santiago on March 27-28, 2006.

Minister of State for External Affairs, Shri Anand Sharma, visiting Chile for bilateral talks, led a delegation comprising of Secretary (West) in the Ministry of External Affairs Smt. Shashi Ubang Tripathi, India's Ambassador to Chile Smt. Susmita G. Thomas, Joint Secretary (Latin America), Shri R. Viswanathan and Joint Secretary (Latin America-Commerce) Shri. Jayant Dasgupta.

Shri Anand Sharma met his Chilean counterpart Foreign Minister Alejandro Foxley. The Acting Vice Minister of Foreign Affairs, Mr. Carlos Portales led the talks from the Chilean side along with senior officers from the UN Division, Antarctica Division, Commerce Multilateral division and the Asia Pacific Division. The two sides discussed wide range of issues of mutual interest. These included issues of bilateral interest, the reform of the Security Council, interest in increasing bilateral trade, scientific cooperation, and negotiating a Free Trade Agreement. Chile expressed its continued support to the candidature of India as a permanent member of the UNSC. The talks were followed by a lunch hosted by the Minister of Mines and Energy Ms. Karen Poniachick, and attended by senior dignitaries like Senator Gazmuri, who visited India in February this year, and Mr. Francisco Folch, Editor of *El Mercurio*.

At a dinner hosted by the Ambassador of India to Chile in honour of the visiting Minister, he met leading industrialists, luminaries from the Chilean Press and Media, heads of the Chambers of Commerce and leaders from Indian community as well as Indian Ambassadors from the Latin American region, who were in Santiago for a review meeting with Shri Anand Sharma.

The Minister inaugurated the first gift under ITEC from India, a computer lab built at a cost of US\$ 30,000, to the Republic of India School in Santiago. He also placed wreaths at the statues of Mahatma Gandhi,

Jawaharlal Nehru and Rabindra Nath Tagore in the Plaza de la India Santiago, inaugurated by late Prime Minister Smt. Indira Gandhi in 1995.

President Michelle Bachelet, the first woman elected President, who assumed charge of the Presidency on March 11, 2006, received Minister of State Shri Anand Sharma on March 28. During extremely warm, cordial and wide-ranging talks, lasting over 55 minutes, Shri Anand Sharma delivered a message from the Indian Prime Minister. He is the first Foreign Minister to call on the Chilean President in Santiago after her assumption of office.

Later that day, Shri Anand Sharma presided over the first-ever meeting of Indian Ambassadors in Latin America in Santiago underscoring the growing importance of Chile for India. Minister Sharma's visit was widely covered by English and Spanish newspapers in Chile. In interviews with the leading Chilean newspaper *El Mercurio*, (established in 1827), and the Chilean National TV Channel, Minister Sharma emphasized that there is interest in both countries to strengthen relations and bridge the geographical divide between the two democracies, through closer cooperation based on mutual benefit and shared values. He added that India and Chile had agreed to undertake joint cooperation in the Antarctica and to negotiate the FTA in an early and time-bound manner.

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CUBA

444. Press Release of the Ministry of External Affairs on Foreign Office Consultations between India and Cuba held in Havana on July 20-21.

New Delhi, July 28, 2006.

Ms. Shashi U. Tripathi, Secretary(West) in Ministry of External Affairs led the Indian delegation at Foreign Office Consultations with Cuba held in Havana on 20-21 July, 2006.

The Indian delegation had meetings with Acting Foreign Minister of Cuba, Mr. Bruno Rodriguez Parrilla, Deputy Foreign Ministers Mr. Marcos Rodriguez Costa and Mr. Abelardo Moreno, responsible for bilateral and multilateral affairs, respectively, and senior officials. Besides an extensive exchange of views on issues related to the Non-Aligned Movement, preparatory to the 14th NAM Summit which will take place in Havana in September, 2006, the two sides reviewed bilateral cooperation and also discussed UN issues. The Indian side conveyed its thanks and appreciation to the Cuban side for a detailed briefing on preparations for the forthcoming NAM Summit.

The consultations were held in a highly friendly atmosphere, with both sides agreeing to further strengthen cooperation in bilateral and multilateral areas, and to work together closely within the Non-Alignment Movement, especially to strengthen South-South cooperation.

The Cuban Government expressed strong condemnation and condolences for the recent terrorist attacks in Mumbai. Both sides shared the view that terrorism, in all its forms and manifestations, must be condemned unequivocally by the international community.

The Cuban side warmly welcomed the forthcoming visit of the Prime Minister of India for the NAM Summit, which would provide an excellent opportunity for both sides to work together to revitalise the Non-Alignment Movement and also to further strengthen their traditionally warm and friendly relations.

During bilateral discussions, both sides welcomed the proposed inauguration of an IT laboratory in Havana, set up with Indian expertise, during the NAM Summit, and the growing cooperation in the energy sector.

The Cuban side appreciated India's offer to increase ITEC slots. Possibilities of strengthening cooperation in other areas including agriculture, sports, culture and exchange of students were discussed. Both sides agreed to convene an early next meeting of the Joint Commission.

Cuba reiterated its strong support for India's candidature for permanent membership of the UN Security Council and responded positively to the candidature of Mr. Shashi Tharoor for the post of UN Secretary General.

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445. Statement of Prime Minister before his departure for his visit to Brazil and Cuba.

New Delhi, September 10, 2006.

Please see Document No. 050.

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446. Statement by Member of the Indian Delegation to the UN A. Vijaya Raghavan on Agenda Item 18: Necessity of ending the Economic, Commercial and Financial Embargo imposed by the United States of America against Cuba at the 61st session of the UN General Assembly.

New York, November 8, 2006.

Please see Document No. 588.

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DOMINICAN REPUBLIC

447. Joint Statement issued during the visit of the Secretary of State for External Relations of the Dominican Republic Carlos Morales Troncoso.

New Delhi, February 17, 2006.

The Republic of India and the Dominican Republic established diplomatic relations on May 4, 1999. On May 31st 2001, an MoU was signed in Santo Domingo between the two countries to undertake periodic consultations to review bilateral relations in the areas of political, economic, commercial, scientific, technical and cultural cooperation, as well as to exchange views on international issues of mutual interest.

Within the framework of the above-mentioned MOU, the first bilateral consultations were held from 5-7 September, 2004 during the visit of H.E. Rao Inderjit Singh, Minister of State for External Affairs to Dominican Republic and his meeting with the Secretary of State for External Relations, H.E. Carlos Morales Troncoso.

On this occasion, Minister Morales Troncoso is paying an official visit to India, from 16th to 23rd February 2006, to reciprocate the visit of MOS Singh and to strengthen bilateral relations.

Minister Morales Troncoso held bilateral talks with MOS of External Affairs of the Republic of India H.E. Mr. Anand Sharma. He thanked MOS for the invitation extended to him to visit India which gives him an opportunity to see and take note of the admirable development achieved by India in recent years, especially in the areas of advanced technologies including information technology, health and biotechnology, and cinematographic industry.

In an atmosphere of cordiality and understanding the two Ministers agreed to strengthen bilateral ties and cooperation. They exchanged views on areas of mutual interest in international affairs. Minister Morales Troncoso, on behalf of the Dominican Government, formally proposed to the Indian Government the signing of certain Agreements: Agreement on Technological Cooperation, Agreement on Exemption of visas for Diplomatic and Official passport holders, Agreement for Bilateral Promotion and Protection of Investment, Agreement for Double Taxation Avoidance and Agreement on Commercial and Economic Cooperation. He also informed

about the opening of the Dominican Embassy in New Delhi, which will issue tourist and business visas, without making a reference to the concerned Dominican authorities, to Indian nationals holding valid US Visa.

The Indian side welcomed the opening of the Embassy and agreed to facilitate it. The Indian side committed to consider positively the Agreements proposed by Dominican Republic.

The Indian side expressed its willingness to establish development partnership with Dominican Republic as part of its commitment to South-South Cooperation.

Foreign Minister Morales Troncoso, invited Indian businessmen to consider investment in DR, especially at the IT Park of Santo Domingo, taking into consideration the incentives and assistance offered to foreign investors.

He referred to the two visits to India in 2005 by the Secretary of State Eddy Martinez, Executive Director of the Centre for Promotion and Investment of the Dominican Republic (EI-RD) to promote Indian investment in Dominican Republic, exchange of business delegations and to seek Indian cooperation for undertaking training projects and capacity building of Dominican Citizens in technological areas. Mr. Martinez had signed several MoUs with Indian institutions.

The two sides agreed to cooperate with each other on issues of common interest in multilateral fora such as UN and WTO.

Foreign Minister Morales Troncoso thanked MOS Sharma for the warm hospitality offered to him and his accompanying delegation during their stay in India.

This joint statement is signed in two originals - in English and Spanish, all the texts being equally authentic.

Signed in New Delhi, on Seventeenth February of the year two thousand and six.

Anand Sharma

Carlos Morales Troncoso

**Minister of State for External
Affairs Republic of India**

**Secretary of State for External
Relations of the Dominican Republic**

448. Bilateral Cooperation Agreement between The Government of The Republic of India and The Government of The Dominican Republic.

New Delhi, February 17, 2007.

PREAMBLE

The Government of the Republic of India and the Government of the Dominican Republic (hereinafter jointly referred to as the “Parties” and in singular as the “Party”):

DESIROUS to consolidate and expand the friendly ties and reciprocal understanding between the two countries;

CONVINCED of the necessity of a lasting and effective cooperation in order to contribute to the economic and social development of both countries;

CONSCIOUS of the desirability of promoting to the greatest possible extent the mutual knowledge of their respective intellectual and artistic achievements as well as their history and way of life by means of friendly cooperation between their respective countries; and

DESIROUS of strengthening and enhancing the quality of life of their peoples:

HAVE AGREED as follows:

ARTICLE 1

ESTABLISHMENT OF BILATERAL COOPERATION

The Parties shall establish a Joint Bilateral Commission (hereinafter referred to as “the Commission”), which shall create a general framework for bilateral cooperation.

ARTICLE 2

OBJECTIVES AND AREAS OF BILATERAL COOPERATION

- (1) The Parties undertake to -
 - a) encourage and promote cooperation between them through mutual visits and through the development, elaboration and implementation of development plans, programmes and projects in the territories of both Parties;

- b) encourage and promote cooperation between their two business communities; and
 - c) encourage the signing of Programmes of Cooperation between the Parties and between citizens, companies and public corporations in the territories of both Parties.
- (2) Cooperation under this Agreement shall also include -
- a) the elaboration of projects and technical assistance terms and conditions for the implementation of such projects;
 - b) the exchange of information, experts, specialists, consultants and trainees in the specified areas of cooperation;
 - c) the establishment of a partnership in areas such as arts and culture, education, health, tourism promotion, and national security technology;
 - d) cooperation in other fields agreed to by the Parties.

ARTICLE 3 COOPERATION BETWEEN AUTONOMOUS BODIES

- (1) The Parties shall, within the fields of cooperation identified in Article 2, encourage the establishment of contact and cooperation between interested institutions, organizations, implementing agencies and persons in both countries.
- (2) In the implementation of the provisions of this Agreement, due regard shall be given to the autonomy of relevant institutions and bodies and the status of implementing agencies. Their freedom to enter into and maintain mutual relations and agreements shall be recognized, subject to the domestic law of the respective countries.

ARTICLE 4 PROGRAMMES OF COOPERATION

- (1) For the purpose of implementing this Agreement the Parties or implementing agencies of the Parties shall, as agreed upon from time to time, undertake Programmes of Cooperation which shall be valid for specific periods.
- (2) The programmes contemplated in Article 4(1) shall pertain to the specific fields of cooperation identified in Article 2 and shall contain specific conditions for implementing cooperation in terms of this Agreement.

ARTICLE 5
ORGANISATION OF THE JOINT BILATERAL COMMISSION

- (1) With a view to ensuring the implementation of this Agreement, to have an adequate follow-up mechanism for the cooperation activities provided for in this Agreement and to achieve the best conditions for its execution, a Commission is hereby established.
- (2) The Commission shall meet once every three years in ordinary session, alternately in India and The Dominican Republic or in such other place as may be agreed. It may also meet in extraordinary Session, at the request of any of the Parties.
- (3) The Commission shall be presided over by the Ministry of External Affairs on the Indian side and by the Ministry of External Relations on the Dominican Republic side and shall have the duties:
 - a) promoting and coordinating the scientific and technical cooperation between the Parties;
 - b) considering proposals aimed at the effective implementation of this Agreement;
 - c) evaluating and establishing priority areas where it will be possible to execute "specific cooperation projects;
 - d) studying and recommending the programmes and projects to be executed;
 - e) revising, analysing and approving the programmes of cooperation; and
 - f) working out proposals for removing obstacles that may arise during the execution of any project established under the Agreement or under separate Programmes of Cooperation.
- (4) The Commission may create Committees of Experts and ad hoc Committees for detailed studies of particular questions. The conclusions reached by the Committees of Experts and ad hoc Committees shall be submitted for approval of the Commission.
- (5) The recommendations of the Commission shall be written in the minutes of the meetings. The minutes of the discussions during the Joint Bilateral Commission shall be signed by the heads of delegation and shall be submitted to their respective Governments for approval.
- (6) The date, venue and agenda of a session of the Joint Bilateral

Commission shall be agreed upon by the parties through the diplomatic channel and upon a proposal by the Government of the host country.

- (7) The Joint Bilateral Commission, the Committee of Experts and ad hoc Committees shall determine their own internal rules and regulations.

ARTICLE 6 PROJECT FUNDING

Each Party shall be responsible for the transport and accommodation expenses of its delegation to the Joint Bilateral Commission, provided that the costs for the organization of work of the session and the costs of meals shall be borne by the host country.

ARTICLE 7 CULTURAL PROPERTY AND INTELLECTUAL PROPERTY RIGHTS

- (1) The Parties shall cooperate in order to prohibit any illicit import, export and transfer of works of art and other cultural property of the respective States, and to promote in conjunction with the relevant authorities the return of cultural property transferred between the territories of the respective Parties.
- (2) Any rules or regulations relating to the implementation of this Article shall be determined by the Commission.
- (3) The projects jointly carried out between the Parties shall comply with the domestic law in force in both countries regarding intellectual property rights.

ARTICLE 8 APPLICABLE DOMESTIC LAW

Cooperation in terms of this Agreement shall be subject to the domestic law in force in the respective States.

ARTICLE 9 SETTLEMENT OF DISPUTES

Any dispute between the Parties as to the interpretation or implementation of this Agreement shall be resolved amicably through consultations or negotiations between the Parties.

ARTICLE 10 AMENDMENTS

This Agreement may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel. Such an amendment shall enter into force on the date of the Reply Note, accepting the proposed amendment.

ARTICLE 11 ENTRY INTO FORCE

- (1) This Agreement shall enter into force on the date on which each Party has notified the other in writing through the diplomatic channel of its compliance with the constitutional requirements for the implementation thereof. The date of entry into force shall be the date of the last notification.
- (2) The Agreement shall remain in force until terminated in terms of Article 12.

ARTICLE 12 TERMINATION

- (1) Either Party may, by giving three months' written notice to the other Party through the diplomatic channel, terminate this Agreement at any time.
- (2) Termination of this Agreement shall not affect any Programmes of Cooperation undertaken prior to the termination of this Agreement, unless agreed to by the Parties.

IN WITNESS WHEREOF the following representatives, being duly authorized thereto by their respective Governments, have signed this Agreement in duplicate in the Hindi, Spanish and English languages, all versions being equally authentic.

DONE at New Delhi on this 17th day of February in the year 2006

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA**

**FOR THE GOVERNMENT OF
THE DOMINICAN REPUBLIC**

**(Anand Sharma)
Minister of State for External Affairs**

**(Carlos Morales Troncoso)
Secretary of State for External
Relations**

ECUADOR

449. Joint Communiqué issued during the visit of Ecuadorian Minister for External Relations Francisco Carrion Mena.

New Delhi, July 18, 2006.

1. The Minister of Foreign Affairs of the Republic of Ecuador, Mr Francisco Carrión Mena, visited India on July 17-19, 2006, at the invitation of the Minister of State for External Affairs of India, Shri Anand Sharma.
2. Both Ministers highlighted the significance of this first-ever visit made by a Minister of Foreign Affairs of Ecuador to India, which will lay the foundation for a new beginning in the bilateral relations and cooperation. They agreed to have regular exchange of visits and dialogue including consideration of visits at the level of Presidents.
3. The Indian side expressed its appreciation for the opening of the Embassy of Ecuador in India and offered support and assistance for the effective functioning of the mission. The Indian side mentioned that it was, in principle, considering opening of a mission in Quito.
4. The two sides agreed to promote and diversify trade and encourage investment between the two countries in collaboration with the private sector and exchange business delegations. They agreed to explore possibility of Agreements to facilitate trade and reduce tariffs. The Foreign Minister of Ecuador will discuss these issues during his meeting with the Indian Minister of State for Commerce and Industry Shri Jairam Ramesh. The Ecuador side agreed to the request of India to consider simplifying and liberalising the procedures for issue of business visas for Indian visitors.
5. They attached importance to cooperation in the oil and gas sector and agreed to sign an MOU between the governments and another one between the oil and gas public sector companies. The cooperation would include exchange of experiences, training and technical collaboration. The Indian side expressed the interest of Indian companies in exploration and production of oil and gas in Ecuador. The Ecuadorian side welcomed and agreed to facilitate the entry of Indian companies. The Foreign Minister of Ecuador will have a meeting with the Indian Minister of Petroleum and Natural Gas, Shri Murli Deora to discuss the cooperation in the Hydrocarbons sector.

6. The two sides agreed to sign a Bilateral Agreement for the Protection and Promotion of Investments.
7. They were pleased with the signing of bilateral agreements in the area of Education and Culture, aimed at developing contacts and cooperation between educational institutions and enhancing the cultural knowledge of both countries. Ecuador thanked India for the ITEC cooperation and training scholarships including a special IT training for about 50 Ecuadorian nationals. The Indian side agreed to consider increase in the number of annual ITEC scholarships. The Indian side thanked the Foreign Minister of Ecuador for the donation of books to the Foreign Service Institute of India.
8. The Minister of Foreign Affairs of Ecuador expressed admiration for the advances made by India in the fields of science, biotechnology, manufacturing of generic medicine and vaccines. These areas together with rural development and information technology, are of specific interest to Ecuador. The two sides agreed to encourage setting up of Indian pharmaceutical plants in Ecuador.
9. They expressed satisfaction at the signing of a Cooperation Agreement between the Diplomatic Academies of both countries, which will allow young diplomats to share, from the very beginning of their careers, a joint vision of issues of mutual interest in regional and international arenas.
10. They agreed on the need for early signing of the Agreement on Exemption of Visa Requirement for Diplomatic and Official Passport holders.
11. The two sides reiterated the commitment of their countries to respect the principles of International Law and the important role of UN. The Ministers expressed their conviction on the need to foster the reform of the Security Council including expansion of its permanent membership. The Indian side thanked Ecuador for its support to the G-4 initiative and its own candidature for permanent membership of UNSC.
12. They acknowledged the importance of United Nations' Human Rights Council and renewed their commitment, as founding members of this new body, to the principles of universality, impartiality, transparency, dialogue and cooperation in the promotion of human rights.

13. The two sides reiterated their commitment to South-South Cooperation and agreed to reinvigorate the agenda of the South.
14. The Minister of Foreign Affairs of Ecuador expressed Ecuador's aspiration to join the G-20. The Indian side assured support to Ecuador in consultation with the other members of G-20 Group. Regarding the Doha round the Ministers reaffirmed the need to reach agreements that were consistent with the negotiating mandate for substantial and effective reductions in trade-distorting domestic support, elimination of all forms of export subsidies, and substantial improvements in market access particularly in products of export interest to developing countries. The Ministers re-affirmed also the need for operationally effective special and differential treatment for developing countries to be integral to all aspects of the outcome of the Doha Round.
15. The Ministers attached importance to the mechanism of political consultations already established between India and the Andean Community. They agreed to promote strengthening of this mechanism for more exchanges and cooperation.
16. The Minister of Ecuador congratulated India, a founding member of the Non-Aligned Movement and highlighted the significance of this group for the countries in the Southern Hemisphere.
17. The Ministers expressed satisfaction with the mechanism of Foreign Office Consultations and agreed that the next round will be hold in New Delhi, during the first semester of 2007.
18. Ecuador conveyed its solidarity and condolences to the Government and people of India on the loss of human lives in the recent bomb blasts in Mumbai and firmly condemned any act of terrorism.
19. The Minister of Foreign Affairs of Ecuador thanked the Minister of State for External Affairs for the hospitality and invited him to visit Ecuador.

450. Memorandum of Understanding on Mutual Cooperation between the Foreign Service Institute, Ministry of External Affairs, the Republic of India and the Diplomatic Academy, Ministry of Foreign Affairs, the Republic of Ecuador.

New Delhi, July 18, 2006.

The Foreign Service Institute of India and the Diplomatic Academy of Ecuador (hereinafter referred to as “the Parties”) in the spirit of cooperation that has traditionally existed between two countries and desiring to promote greater cooperation between the two institutions have agreed as follows:

ARTICLE 1

The Parties shall cooperate in mutually agreed areas of activity, which inter alia may include:

1. Exchange of information on structure and content of training programmes for diplomats;
2. Identification of experts in mutually agreed areas;
3. Exchange of information on the use of IT in diplomacy;
4. Joint research in mutually agreed areas;
5. Mutual assistance in designing IT-based course content for distance learning.

ARTICLE 2

The Parties shall exchange information and publications on training programmes, curricula of studies and other activities of common interest.

ARTICLE 3

The Parties shall promote the exchange of experts, scholars and diplomatic trainees.

ARTICLE 4

The Parties will encourage coordinated research on the subject of mutual interest.

ARTICLE 5

The Parties will decide the specifics and logistics of every project they undertake together.

ARTICLE 6

This Memorandum shall enter into force on the date of its signature and shall remain in force for a period of three years. Thereafter, it may automatically be renewed for similar three-year periods at a time, unless terminated by either party by giving a written notice of 90 days to the other party prior to the date of termination of the Memorandum.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments, have signed this Memorandum and affixed their seals.

Done at New Delhi on this 18th day of July 2006 in two originals each in Hindi, English and Spanish languages, all three texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

**On behalf of Foreign Service
Institute of India**

**(Anand Sharma)
Minister of State
Ministry of External Affairs
Government of the Republic of India**

**On behalf of Diplomatic
Academy of Ecuador**

**(Francisco Carrion Mena)
Minister of Foreign Affairs
Ministry of Foreign Affairs
Government of the Republic of
Ecuador**

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451. Arrangement between the Government of the Republic of India and the Government of the Republic of Ecuador on Gainful Occupation for Family Members of a Diplomatic Mission or Consular Post.

New Delhi, July 18, 2006.

The Government of the Republic of India and the Government of Republic of Ecuador:

- | **Noting** the difficulties encountered by members of the family forming part of the household of a member of a diplomatic mission or consular post who wish to engage in a gainful occupation;
- | **Realizing** that many members of such households, in particular spouses, may wish to work in the State where the member of a diplomatic mission or consular post is assigned to duty;
- | **Desirous** of facilitating the engagement of such family members in a gainful occupation in the receiving State;

Have agreed as follows :

1. Authorization to engage in a gainful occupation:

The members of the family forming part of the household of a member of a diplomatic mission or consular post of the sending State shall be authorized, on a reciprocal basis, to engage in a gainful occupation.

- (a) In the receiving State in accordance with the provisions of the law of the receiving State.
- (b) The receiving State shall retain the right to withhold authorization for employment in certain areas.
- (c) Any authorization to engage in a gainful occupation in the receiving State shall, in principle, be valid only during the tenure of the member of a diplomatic mission or consular post in the receiving State.

2. Definitions:

For the purposes of these Arrangements:

- (a) "A member of a diplomatic mission or consular post" means any employee of the sending State who is not a national of or permanently resident in the receiving State and who is assigned to official duty in

the receiving State in a diplomatic mission, consular post or mission to an international organization;

- (b) "A member of the family" means the spouse of a member of a diplomatic mission or consular post, any minor children and any unmarried, dependent children up to the age of 25 years and any handicapped children with no limit of age who form part of the household of a member of a diplomatic mission or consular post.

3. Procedures:

- (a) A request for authorization to engage in a gainful occupation shall be sent on behalf of the member of the family by the diplomatic mission or consular post of the sending State to the Protocol Division of the Ministry of Foreign/External Affairs of the receiving State.
- (b) The procedures followed shall be applied in a manner so as to enable the member of the family to engage in a gainful occupation as soon as possible and any requirements relating to work permits and similar formalities shall be favorably applied.

4. Civil and administrative privileges and immunities:

In the case of members of the family who enjoy immunity from the civil and administrative jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations, 1961 or Vienna Convention on Consular Relations, 1963 or under any other applicable international instrument including the rules of the customary international law, such immunity shall not apply in respect of any act or omission carried out in the course of the gainful occupation and falling within the civil or administrative jurisdiction of the receiving State.

5. Criminal immunity:

In the case of members of the family who enjoy immunity from the criminal jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations, 1961 or under any other applicable international instrument:

- (a) The provisions concerning immunity from the criminal jurisdiction of the receiving State shall continue to apply in respect of any act carried out in the course of the gainful occupation.
- (b) However, in the case of serious offences, upon the request of the receiving State, the sending State shall give due consideration to

waiving the immunity of the member of the family concerned from the criminal jurisdiction of the receiving State.

- (c) The sending State shall also give due consideration to waiving the immunity of the member of the family from the execution of a sentence.

6. Fiscal, social security and exchange control regimes:

In accordance with the Vienna Convention on Diplomatic Relations, 1961 or under any other applicable international instruments members of the family shall be subject to the fiscal, social security and exchange control regimes of the receiving State for matters connected with their gainful occupation in that State.

7. Settlement of disputes:

Any differences or disputes regarding the interpretation or application of these Arrangements shall be settled through mutual consultations.

8. Entry into operation:

These Arrangements shall enter into operation on signature and shall continue in operation until terminated by either Party by providing six months notice in writing.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed these Arrangements.

Done at New Delhi on the 18th day of July, 2006 in two originals each in the Hindi, Spanish and English languages, all texts being equally authentic. In case of any divergence, the English text shall prevail.

(Mr. Anand Sharma)
Minister of State
Ministry of External Affairs
Government of Republic of
India.

(Dr. Francisco Carrion Mena)
Minister of Foreign Affairs
Ministry of Foreign Affairs
Government of the Republic of
Ecuador

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452. Press Conference by Minister of State Anand Sharma and Minister of External Relations of Ecuador, Francisco Carrion Mena.

New Delhi, July 18, 2006.

MR. ANAND SHARMA: Ladies and gentlemen, you have been witness to the signing of the four agreements. I may also mention here that this is the first ever visit of the Foreign Minister of Ecuador and we are very happy to welcome Dr. Francisco Carrion here. His visit is preceded by another significant decision of the Government of Ecuador that was to set up their Resident Mission in New Delhi. In the first few months the Ambassador has already made his own impact. We have been informed about the good work which he is doing.

Both India and Ecuador are very keen to expand the bilateral cooperation and deepen the engagement. We have had during our meeting today identified the priority sectors of cooperation which would include the energy sector, that is, oil and petroleum, also pharmaceuticals, IT. We have very good understanding between the two Governments when it comes to cooperation in the international fora, especially in the multilateral organizations including the United Nations. We have during the course of our discussions also talked about comprehensive UN reform, the democratisation of its structures and the expansion of the UN Security Council both in the permanent category and in the non-permanent category.

There are Indian companies both in the private sector and the public sector which have shown keen interest in Ecuador. Likewise, Ecuador Government, their State undertakings, State companies and also the private sector are taking interest in business cooperation, trade cooperation with India. In fact, the Minister is accompanied by leading representative of the industry of Ecuador who will be interacting with the Confederation of Indian Industry later.

From our side the petroleum sector, OVL has already been engaged in the exercise of looking at the possibility of both investing and (engaging in) oil exploration. We hope that in the energy sector, in the pharmaceutical sector and also in IT sector there is an enormous potential of bilateral cooperation between our two countries. We also hope that in other areas which are of shared interest and concern we will be working together.

Foreign Minister of Ecuador has in his opening remarks today offered his condolences over the serial bomb blasts in Mumbai, the loss of large number of innocent lives in India, which we do appreciate. During our discussions we have recognized the scourge of terrorism, the threat which it poses to the international community and to peace and also our shared resolve to work together in fighting the menace of terrorism worldwide. With these opening remarks I would like now to invite Dr. Francisco Carrion to make his observations.

DR. FRANCISCO CARRION MENA: Thank you very much, ladies and gentlemen. Well, I have almost nothing to add to what my colleague and friend Mr. Sharma has said because he has summarized exactly what we have been talking. Nevertheless, I want to stress that I and my delegation and my country acknowledge the hospitality and friendship of the people of India.

My country is a country that has many similarities with India although there is a difference of size and population. So, we are looking for new ways of strengthening our relations. We are looking for increasing our trade, our cooperation and we are sure that we can achieve it.

But first of all, I think that it is necessary to know each other more. That is why I am visiting India, to talk about my country, to identify the different issues in which we can increase our relations. Minister Sharma has already underlined the fields in which we can certainly do much more.

I want to repeat what the Minister has said about the solidarity and condolences of Ecuador over the bombings that took place in Mumbai because we think and we are decided that terrorism must be fought. We are working with multilateral bodies of the United Nations and (on) bilateral agreements against terrorism.

I told Minister Sharma that although Ecuador has not been struck by terrorism inside the country, we have had many Ecuadorians dead. They were killed in Madrid, they were killed in New York, because they were working or studying in those cities when the bombs exploded. So, we firmly condemn terrorism. We are with the people of India, with its institutions fighting terrorism.

We have many fields in which we can work together. We have already identified some of them. We talked about multilateral affairs, of course, in which we have many points in common. We have worked in the United Nations especially and we are very glad to see how our two countries, even though

we are far away geographically, are very near in our positions regarding peace, security and cooperation. Thank you very much.

QUESTION: Does Ecuador support India's candidature for the permanent membership of the United Nations Security Council?

DR. FRANCISCO CARRION MENA: We see with great sympathy the candidature of India and we have supported that candidature.

QUESTION: This is your first visit to India, what impressions of India are you carrying back?

DR. FRANCISCO CARRION MENA: I am very impressed about India. I have been here for a short time, about twenty-four hours, but I have had the opportunity of talking with the Indian people. I have learned a lot about the economic growth of India, the importance of this market for us and, I am convinced now more than before coming here, the importance of cooperation between both countries. For that the first step is knowing each other better. That is why we signed a cultural agreement. We are identifying some fields in which we can work together, and there are many of them. We need the decision not only of the public sector or the Government but of the private sector of Ecuador and the private sector of India. I have a very good impression about what is going on in India in economic and political spheres. That is why we want to strengthen our relations. I am very very glad to meet you.

QUESTION: My question is to Mr. Anand Sharma. Sir, can you tell us about the situation in Lebanon especially in view of Indians over there and the steps that the government is taking for them and for the Indian troops stationed there under the UN Mission. Has there been any decision to withdraw them?

SHRI ANAND SHARMA: The situation there is grave enough to warrant concern. The Government of India has clearly expressed so. We have also issued an advisory to the Indian nationals in Lebanon, approximately twelve thousand of them, to keep their passports and travel documents ready. In the eventuality of the situation demanding their evacuation the Government of India will take all possible measures to move them away to safety and for their evacuation. There has been no decision as far as the troops are concerned because they are part of a multinational force.

QUESTION: Today is the first anniversary of the Indo-US nuclear deal, July 18. There are still one or two issues that need to be addressed. One is the issue of testing. Is this going to be sorted out? Secondly, there have been reports today that US and Germany have agreed to support Shashi Tharoor's candidature. Is that being seen as a positive development?

SHRI ANAND SHARMA: With regard to the second part, I have no confirmation, I have no information. So, I am not in a position to comment at all. As far as the first part is concerned, the Joint Statement between President Bush and Prime Minister Dr. Manmohan Singh was signed last year on July 18. President Bush and Prime Minister have met in St. Petersburg at the G-8 and Outreach countries meeting. The Prime Minister had indicated that he would be taking up these issues, certain new clauses which were suggested, so that there can be a complete understanding reached within the framework of the July 18 statement and the mutual obligations which were explained therein. Prime Minister has also made clear India's position that India will engage in civilian nuclear cooperation with the United States of America and other international partners strictly on the basis of reciprocal commitments which have been contained in the July 18 statement and the Prime Minister's statement to the Indian Parliament on the 11th of March. There are no additional obligations or conditions which India has accepted. So, we are hopeful that this would be resolved to the satisfaction of all concerned.

Thank you.

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GUYANA

453. Press Release issued by the High Commission of India in George Town on 2nd Session of Foreign Office Consultations between India and Guyana.

Georgetown, July 18, 2006.

Mrs. Shashi U. Tripathi, Secretary, Ministry of External Affairs, Government of India led the Indian delegation to the Second Session of the Foreign Office Consultations between India and Guyana at the Ministry of Foreign Affairs in Georgetown on July 17, 2006. The Guyanese delegation was headed by Ambassador Elisabeth Harper, Director General of the Ministry of Foreign Affairs. The two leaders expressed great satisfaction at the development of friendly relations since the establishment of diplomatic ties between India and Guyana more than 40 years ago.

Ambassador Elisabeth Harper mentioned that Guyana had derived tremendous benefits from the deputation of Indian experts and training of Guyanese nationals under the Indian Technical and Economic Cooperation programme. She thanked the Government of India for providing financial support to build a modern Cricket Stadium in Guyana for the forthcoming Cricket World Cup 2007. She also commended India for its contribution towards peace, security and development, and conveyed Guyana's sympathies on the recent terrorist bomb blasts in the trains of Mumbai.

Mrs. Shashi U. Tripathi hailed the deepening of bilateral ties against the background of the common colonial history of India and Guyana and pointed out that both the countries missed the industrial revolution because of colonialism but must not miss the knowledge revolution. She noted that the economic and commercial relations between India and Guyana have been on the rise since the two visits by President Bharrat Jagdeo to India in 2003 and 2004.

Mrs. Tripathi emphasized that both India and Guyana being developing countries, there was a need to look at new ways of synergising each other's strengths particularly in the light of India's rapid economic growth rate of 8% per annum over the last 2-3 years. She appreciated Guyana's support to UN Reforms, including to India's candidature for a permanent seat in the expanded Security Council.

The Second Session of the Foreign Office Consultations re-affirmed

the importance of the consultative mechanism between the Foreign Ministries of the two countries in reviewing the areas of cooperation and providing a forum for the exchange of views on international and multilateral issues of mutual interest and concern.

After extensive discussions on various agenda items the Indian side agreed to depute experts in the field of Flood Forecasting and Disaster Management, Law Enforcement related training and development of training courses for Foreign Service Officers. At the request of the Guyanese side the Indian side also agreed to consider proposals for the extension of the period of the deputation of future ITEC experts from two to three years.

The two sides agreed to take steps to extend the Cultural Exchange Programme by another three years. The last Cultural Exchange Programme was signed in August 2003 during the visit of President Bharrat Jagdeo to India.

The Guyanese side put forward the following proposals for concessional Lines of Credit:-

- (i) Construction of sports facilities in the counties of Essequibo and Berbice
- (ii) Creation of an ICT Park/Village and
- (iii) Design and installation of a solar/electric traffic signaling system

The two sides exchanged views on issues of common interest in the international arena and had similar views on the UN Reforms. They also agreed to continue their collaboration in advancing efforts to combat terrorism.

The two sides agreed that the Third Session of India – Guyana Foreign Office Consultations would be convened at New Delhi at a mutually convenient date.

The leader of the Indian delegation also called on President Bharrat Jagdeo, Prime Minister Samuel Hinds, Minister of Foreign Affairs Rudy Insanally and Minister of Foreign Trade and International Cooperation Clement Rohee and discussed matters of mutual interest.

MEXICO

454. Memorandum of Understanding on Cooperation between the Indian Council of World Affairs, Republic of India and the Consejo Mexicano de Asuntos Internacionales (COMEXI), Mexico.

New Delhi, November 6, 2006.

The Indian Council of World Affairs [ICWA], New Delhi, and the Consejo Mexicano de Asuntos Internacionales (COMEXI), Mexico, hereinafter referred to as 'The Parties';

Intending to enhance mutual understanding and friendship between the peoples of the Republic of India and Mexico through the promotion of friendly institutional relations;

Have reached the following understanding:

Article 1 - General Guidelines

The Parties agree to develop exchanges and cooperation on the basis of mutual respect, equality and mutual benefit.

The Parties agree to establish a non-governmental group of eminent persons from both sides from the fields of diplomacy, culture, economy and trade, academics, sciences, social sciences, communications and the media to facilitate the India-Mexico Dialogue and cooperation between the civil societies of India and Mexico.

With a desire to make such dialogue and exchange fruitful, the Parties shall, through mutual understanding, decide upon the number of participants from each side, and shall each nominate their respective Co-Chairpersons.

The Dialogue will be hosted alternately in India and Mexico by the ICWA and the COMEXI respectively. The first dialogue will be hosted by COMEXI in Mexico City in 2007.

Article 2 - Contents of Cooperation

Cooperation under this Memorandum may include:

1. Promotion and support of those activities contributing to better understanding and relations between India and Mexico;

2. Promotion and support for the exchange of visits by eminent persons in the fields of diplomacy, culture, academics, economy and trade, education, sciences, social sciences, communication and the media;
3. Co-sponsoring of bilateral seminars, symposiums and panel discussions on issues of common interest;
4. Exchange of publications;
5. Other forms of cooperation as may be agreed upon by both parties through consultations.

Article 3 - Sharing of Expenses

On the basis of reciprocity, the sending Party shall cover international travel expenses while the receiving Party shall cover local transportation and hospitality expenses of the participants as well as local organizational costs.

Article 4 - Others

Other issues not covered in this Memorandum shall be decided through mutual consultation between the Parties.

Article 5

The Memorandum shall come into effect from the date of its signature. This Memorandum of Understanding may be amended by mutual agreement whenever necessary.

Signed in New Delhi on the 6th day of November of the year 2006 in three originals each in the Hindi, English and Spanish languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

(Talmiz Ahmad)
For Indian Concil of
World Affairs,
Sapru House, New Delhi

(Andres Rozental)
For Consenjo Mexicano
de Asuntos Internacionales
Mexico City

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EUROPEAN UNION

455. Remarks of Foreign Secretary Shyam Saran at the India-EU Business Conference on Energy.

New Delhi, April 6, 2006.

Hon'ble Minister for Power, Commissioner for Energy H.E. Mr. Andris Piebalgs, Excellencies, Distinguished participants and Guests.

I would like to extend a warm welcome to all of you to the first India-EU Business Conference on Energy. The presence of both European and Indian companies in such numbers, and particularly the decision of Commissioner Piebalgs to personally visit India for this Conference as well as for the Energy Panel tomorrow underlines the importance that both India and EU attach to cooperation in the Energy sector.

We are happy that both the Business Conference and the Energy Panel will benefit from the guidance of our Hon'ble Minister and of the Commissioner.

I wish to thank the European Commission and the Federation of Indian Chambers of Commerce and Industry, for having taken the lead in jointly organizing this business event, which I am confident will provide our entrepreneurs an interesting opportunity to interact with their counterparts from various member states.

As you are aware, in parallel with the annual political summits, we have also institutionalized a high level Business interaction with EU. However, today's event is unique as for the first time we have gathered together leaders in the field of Energy focusing exclusively on encouraging business to business interaction in specific Energy sectors - Thermal power generation, Renewable Energy, Energy Efficiency, Transport sector & Clean fuels.

The dialogue on Energy between EU and India is an outcome of the India EU Summit held at The Hague in 2004 which decided to elevate our relationship to the level of a Strategic Partnership. Cooperation between India and the EU in the energy sector is a very important part of the Strategic Partnership. At the Hague Summit, the Prime Minister pointed out that with the high rates of growth needed by India to achieve its developmental goals as well as China's high growth figures would have its consequences

in terms of increasing the demand for oil and gas and the price of oil. This would have consequences not just for India and the EU but for the whole world. It was necessary to look at changes in energy mix. The Summit created a high level Energy panel which in its very first meeting held last June decided that for the dialogue to be meaningful and result oriented it was essential that we bring together our business leaders from this strategic sector. So this is how this initiative was born. It shows a great deal of promise. We are happy with the progress being achieved.

Many of the participants of the Business conference, both from India and Europe, represent what could be termed Small and Medium enterprises. Nonetheless they represent the very best that we have to offer in this frontier area of technology.

While we are familiar with most of the major European Companies working in the Oil and Gas sector, today we also get to interact with companies representing a diverse energy mix. We understand that different countries in the EU have different strengths in the energy sector and today's Business Conference would provide useful opportunity to establish appropriate linkages.

I would like to believe that this is only our first step together in a new direction. I avail of this opportunity to suggest that in future annual business summits we create a specific segment devoted to energy so that our dialogue and interaction continues on a regular basis.

We are aware of the achievements of Europe in the areas of Hydrogen and renewable energies. Renewables are already supplying over 6% of Europe's energy needs. If one considers this along with the share of Nuclear Energy, this figure reaches an impressive 20%. Europe's target of generating 20% of its electricity and meeting 12% of its energy needs from renewable sources of energy by 2010, and even higher benchmarks for future, points to the seriousness with which it has addressed the twin issues of energy security and climate change.

Our energy requirement like yours is high, and is expected to grow much higher given our large population, and our projected economic growth rates. The rising prices of fossil fuels and our import dependence demands a diversification of energy mix, greater use of renewable energy and increased R&D for new technologies.

India constitutes about 15% of the world population but accounts for

only 3% of the world's total annual energy consumption. Per capita annual consumption of energy in India is very low at 0.32 TOE against the global average of 1.68 TOE, and US average of 8.55 TOE. Thus, even to reach the global average energy demand in India will need to go up 5 times. Our development and growth goals will not be met without safe, secure and stable energy supplies.

The time to think ahead and plan for alternate, secure, stable and clean sources of energy is now. It is with this objective that India has joined EU and other partners in the ITER project, and we look forward to working with European Companies in many more new Energy areas.

We need to work on several fronts simultaneously. We understand that merely securing existing energy sources is not an answer to the problem that we will face. There is an urgent need to reduce our dependence on the non-renewable sources of energy. We also need to improve energy efficiency all around, in all the fuel chains and the entire production and distribution chains.

With a strong industrial base and successful commercialization of technologies in wind, solar photovoltaics, solar thermal, small hydel, biogas and improved biomass stoves, India has acquired expertise in a wide array of technologies, and is poised to play a leading role in the global movement towards sustainable energy development. Though small in comparison to EU, India already has the third largest installed wind power generating capacity in the world.

All these sectors present promising opportunities for our foreign partners to invest - both in power generation and manufacture of products and systems for our domestic market as also for export to third countries. Other areas like hydrocarbons, hydropower and nuclear energy also provide areas of cooperation.

I am confident that today's interactions between experts and industry representatives you will lead to mutually fruitful partnerships.

I wish the Conference all success. Thank You.

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456. Press Release of the Ministry of External Affairs on the 2nd meeting of the India-EU Energy Panel.

New Delhi, April 7, 2006.

The 2nd meeting of the India-EU Energy Panel took place today in New Delhi. The high level energy meeting was inaugurated by Minister for Power Mr. Sushil Kumar Shinde and the EU Commissioner for Energy, Mr. Andris Piebalgs, underlining the importance of Energy cooperation for the Strategic Partnership between India and the EU.

The Panel was co-chaired on the Indian side by Foreign Secretary Mr. Shyam Saran and on the EU side by Mr. Fernando de Esteban Alonso, Deputy Director General for Energy and Transport in the European Commission.

The India-EU Energy Panel was constituted following a decision of the 5th India-EU Summit at The Hague in November, 2004 which launched the strategic partnership between India and the EU and identified co-operation in the energy sector as a key area for co-operation.

The Joint Action Plan to implement the India-EU Strategic Partnership, which was adopted at the 6th India-EU Summit held in New Delhi in September 2005, attaches special importance to cooperation in the energy sector, in the areas of :

- Promoting energy efficiency and energy conservation
- Development of affordable clean energy technologies
- Identification of new technologies in the field of new, renewable, conventional and non-conventional energy sources
- Oil and gas, with a view to promoting security of supplies and stability in prices
- Nuclear energy
- Technology and expertise in exchange of energy between different grid systems and development of energy markets
- Development of hydrogen and fuel cells
- Methane recovery and use.

The inaugural meeting of the Energy Panel held in Brussels in June, 2005 set up three Working Groups covering:

- Coal and clean coal conversion technologies
- Energy efficiency and renewable energies
- Fusion Energy, including India's participation in ITER.

India has since joined the ITER Thermonuclear Fusion Project in December 2005.

All three Working Groups have met and have had constructive discussions looking at how to take co-operation in these respective areas forward.

The first meeting of the India-EU Energy Panel had also agreed to organize an India-EU Energy Business Conference. This event took place on 6th April at New Delhi. It was co-organised by the Ministry of External Affairs, the European Commission and the Federation of Indian Chamber of Commerce (FICCI). This was the first ever India-EU Business Conference exclusively on energy. It brought together a large number of European and Indian companies engaged in developing new and renewable energy sources.

India and the EU have decided to mainstream this important sectoral dialogue in their annual business summits so that each side is apprised of emerging business opportunities in this new area of cooperation. It is expected that long-term business relations would be established between Indian and European companies, including with SMEs in this field.

At its second meeting, the Energy Panel reviewed the global energy scenario and exchanged views on their respective energy policies and the measures being undertaken to assure affordable and clean energy for assuring continued growth of their respective economies. Commissioner Piebalgs gave a presentation on the Green Paper on the European Energy Policy adopted last month at the European Council. Foreign Secretary gave a presentation on the Energy scenario in India.

The Panel also discussed various possible options and strategies for development of secure and sustainable energy supplies from a diverse mix of energy sources including fossil, renewable and nuclear energy. Senior officials from the concerned Departments and Ministries in the

Government of India, including External Affairs, Power, Petroleum & Natural Gas, Coal, Atomic Energy, Non-conventional Energy Sources and Environment exchanged views with their counterparts in the EU.

The Panel agreed in principle to set up a Working Group on Petroleum and Natural Gas to explore the areas of cooperation in this sector.

The Energy Panel also reviewed the reports of the three Working Groups. Based on the preparatory work of the Working Groups, both sides agreed to commission five specific techno economic studies covering areas of great significance. The studies would focus on:

- Coal Quality Management System in India
- Application of Eco-design requirements/methodology of energy using products in India
- Assessment of potential of using bio fuel in India
- Study and renovation and modernization of a thermal power plant
- Assessment of technologies for capture and geological storage of carbon dioxide.

The first four studies would be financed under the Action Plan Support Facility of the European Commission while the fifth study would be financed by GOI. The two sides will nominate focal agencies for these studies within a month. Their reports would be submitted to the Energy Panel.

The two sides underlined the importance of secure and clean energy sources which are both affordable and less harmful to the environment. India expressed a particular interest in transfer of technology, joint research projects, and sharing of best practices in areas of mutual interest particularly nuclear energy, hydrocarbons, clean coal conversion technologies, renewable energy and energy efficiency.

It was decided to hold the next meeting of the Panel in the first half of 2007 at Brussels.

457. Special Media Briefing by Foreign Secretary Shivshankar Menon on the visit of Prime Minister Dr. Manmohan Singh to the UK and Finland, 9-14 October, 2006.

New Delhi, October 7, 2006.

OFFICIAL SPOKESMAN (SHRI NAVTEJ SARNA): Good morning everybody and thank you for turning up on a Saturday morning. It is a particularly important occasion for us. This is the first time we have with us the new Foreign Secretary in this briefing hall to brief all of you. We would like to welcome him. I also welcome all of you to this briefing on the Prime Minister's visit beginning Monday to the United Kingdom and then on to Finland. In the end we will take questions. Please indicate your interest. I will keep a list. I request you to keep all your cell phones off and also to keep your questions to the visit.

FOREIGN SECRETARY (SHRI SHIV SHANKAR MENON): Ladies and gentlemen, I thought I will brief you on Prime Minister Dr. Manmohan Singh's official visit to the UK and to Finland for bilateral discussions and for the Seventh India-EU Summit from the 9th to the 14th.

PM will be in the UK from the 9th to the 11th and will be accompanied by the Commerce and Industry Minister Shri Kamal Nath and the Minister of State for External Affairs Shri Anand Sharma.

In the UK, during the visit Prime Minister will hold summit meeting with the UK Prime Minister Tony Blair. This is the third India-UK summit meeting since the Comprehensive Strategic Partnership between India and the UK was launched in September 2004. In addition, Dr. Gordon Brown, the Chancellor of the Exchequer and the UK Foreign Secretary Ms. Margaret Becket will be among those who would call on the Prime Minister while he is in London.

The focus of discussions during the visit will be on the further expansion of economic linkages, on R&D collaboration and academic exchanges and on cooperation in counter-terrorism and clean energy. These are among the focus areas for consultations and discussions during the visit. There will be other areas as well.

This will be the fifth meeting between the two leaders since 2004. Following Prime Minister's visit in 2004, Prime Minister participated in the Gleneagles summit in the UK in 2005. Prime Minister Blair visited India for

the Sixth India-EU Summit. We had the India-UK summit a day after that in Udaipur. PM also met the Prime Minister Blair in St. Petersburg earlier this year.

During Prime Minister's September 2004 visit, we had adopted a Joint Declaration which upgraded bilateral relations to Comprehensive Strategic Partnership which listed a whole series of areas for cooperation - civil nuclear activities; high technology trade; civilian space programmes; and further developing economic and other relations. We have seen substantial progress in the relationship over the last two years as a result. One of the important areas in this is collaboration in counter terrorism especially in view of recent global developments. For instance, both Delhi and London will be hosting major sporting events - the Commonwealth Games in 2010 and the Olympics in 2012. So, both countries could, for instance, share information on best practices between our concerned security authorities. While in the UK, Prime Minister along with the UK Prime Minister will address the India-UK Investment Summit on October 10th which is being organised by the Indo-British Business Partnership Network.

The event will also be addressed by Commerce and Industry Minister Shri Kamal Nath and by Mr. Alistair Darling, Secretary of State for Trade and Industry of the UK. About 100 CEOs are expected to attend the event. The UK is a very important partner for India due to our shared history; a large Indian community of about 1.2 million living in the UK; and the close political and economic linkages. Over 16000 Indian students study in the UK. As you know, there is a strong presence of Indian professional in the IT and other sectors in the UK as well. I just went over the series of high-level exchanges that we have had recently. We see that as continuing in the future. The UK is our fourth largest global trading partner and the largest in the EU with an annual two-way trade in goods of 5.6 billion pounds and services of 1.8 billion pounds.

The UK is also still the largest cumulative investor in India and the fifth largest in India since 1991. In recent years, Indian investments in the UK have grown rapidly and India has emerged as the third largest investor in the UK as well in terms of the number of projects with an estimated investment of over one billion dollars. Another significant indicator of the increasing Indian profile is that nearly 500 Indian companies have offices in the Greater London area. On the 11th of October, Prime Minister will travel to Cambridge University where he will be conferred an honorary degree. He will also be meeting members of the Indian community and representatives of the Indian

Overseas Congress while he is in London at a reception hosted by our High Commissioner. After London, Prime Minister will go to Finland, to Helsinki. He will be in Finland from 12th to 14th. On the 12th, he will hold bilateral discussions with the Finnish Prime Minister who, you will recall, had visited India in March 2006. For us Finland is a technologically advanced country with one of the highest per capita growth rates in Europe.

Indian companies have established several links with Finland in high technology areas. Tourism is also another area of promise in our relationship with Finland. Finn Air will be establishing direct flights from Finland to New Delhi from the 30th of October. Our bilateral trade in 2005 was 407 million Euros. We have now seen several Finnish investments in India, Several large Finnish technology companies in India, while Indian companies have also started investing in Finland in the last two years. For instance, Wipro has acquired a company in Finland and so has Sasken Communication Technologies. So, as I said, most of these are in the high-tech area. Prime Minister will take part in the Seventh India-EU Summit on October 13.

This will actually be the fourth summit level interaction that the EU under the Finnish Presidency is undertaking in the last two months because they have just done in September - China, Republic of Korea and ASEAN in which we also participated as a member. The EU will be represented under the Finnish Presidency by the Prime Minister of Finland Mr. Vanhanen, by the High Representative for Common Foreign Security Policy Dr. Javier Solana, and by President of the European Commission Mr. Jose Manuel Barroso, the European Commissioner of External Relations Mr. Benito Ferreiro-Waldner, and the European Commission of the Trade, Peter Mandelson. You would recall that the Sixth Summit in New Delhi in September 2005 had seen the adoption of an ambitious Joint Action Programme between India and the EU, the first that we have with any country, to implement the strategic partnership that had been launched at the Fifth Summit at the Hague in November 2004.

India is the sixth country with which the EU has such a strategic partnership, the others being the USA, Canada, Russia, China and Japan. The Joint Action Plan adopted last year provides for strengthening dialogue in consultation mechanisms, for deepening political dialogue and cooperation, for enhancing economic policy dialogue and cooperation, and for developing trade and investment. So, this summit will now review the implementation of the Joint Action Plan. There has been substantial progress in the implementation of the Joint Action Plan.

A high-level trade group was set up, for instance, by the sixth India-EU summit under the Joint Action Plan which was supposed to explore ways and means to deepen and widen the bilateral trade and investment relationship. The high-level trade group (HLTG) which was headed by the Commerce Secretary on our side and the Director General of the Trade on the EU side will finalise its report. Its report will be presented to the Seventh Summit. The officials had recommended that a broad-based bilateral trade and investment agreement be negotiated between India and the EU. It is now for the political leadership at the summit to decide on the contents of the recommendation and the rest of the report and on how to take this forward. For us, as you know, the EU is a very important partner both for the individual EU Member-States and the EU collectively. The EU is home to a very large Indian diaspora. Taken as a whole, the EU is India's single largest trading partner.

One-fifth of our total external trade is with the EU. Bilateral trade has grown steadily between 2001 and 2005 at over ten per cent on average each year to reach 40 billion Euros in 2005. The trend is continuing in 2006. In the first quarter it has increased by about 18 per cent. So, it is quite rapid. India is now the 11th largest exporter to the EU. We are also important investment partners in both directions, both the EU investment in India and the Indian investment in the EU. The total FDI inflows from the EU into India are about eight billion dollars. It is about 20 per cent of the total FDI flows since 1991. India has also begun to invest in the EU in recent years. In 2003, Indian FDI inflows into the EU were around 600 million Euros as compared to the EU investment inflows into India of about 658 million Euros. We have had Parliamentary exchanges and all the other normal exchanges that take place between States. The President of the European Parliament was in fact visiting India from the 30th September to the 6th of October. In the last year he has informed us that the European Parliament would be creating a separate delegation to just to look after relations with India. That is the shape of the three visits. I will be happy to answer any questions that you might have.

QUESTION: The President of the European Parliament said that as per the EU Parliament Resolution India should sign the NPT and only then there will be a possibility of cooperation between India and the EU in the field of civilian nuclear energy. What is the position that India is going to take so that the EU can be brought around to Indian position?

FOREIGN SECRETARY: You know our position and you do not

need me to repeat what we think on either proliferation, or non-proliferation, or on cooperation in civilian nuclear energy. As far as I know, the EU does not have a common position on the issue of civilian nuclear cooperation with India. There are individual state positions. As you have seen, in the last two years certain countries have been very supportive, some less so, some have conditions, and some might have reservations. We have been talking to all the individual member-states and explaining our position and the potential also of the nuclear energy cooperation. It is our understanding that the position in terms of the amount of support that there is among EU member-states for civilian nuclear cooperation with India is better than it was before.

QUESTION: Mr. Menon, in Prime Minister's interaction with the leadership of the UK and Finland, will India be sharing evidence of Pakistan's role in Mumbai blasts with these leaders? Do you have anything to say on the current status of the Galileo Project?

FOREIGN SECRETARY: Counter terrorism is an issue that we have been discussing with the EU, with Finland, with the UK in the past. As I said in the introductory remarks, it is a big part of our strategic cooperative relationship with the UK. We will certainly be discussing all these issues which include our recent experiences as a victim of terrorism in India. We will certainly raise this. We will also see what can be done actually to improve the situation and to improve our common effort against terrorism. The UK too has suffered from terrorism of the worst kind. We will naturally try and see what we can do to. But I do not want to prejudge these discussions. This is an ongoing dialogue. At the end of the visit we will certainly tell you where we have gone with this dialogue. On Galileo, the agreement was initialled last year, you would remember, during the summit. We hope to sign it at the end of this. I think it is almost ready for signatures.

QUESTION: There is a school of thought that India has been projecting the role of Pakistan in international terrorism and this agreement on the joint mechanism signed in Havana. There is a school of thought which believes that the Indian Government is suffering from Stockholm syndrome. Lots of people have been writing about it, I am not saying I believe it. When you go and speak about Pakistan and raise this issue, is it going to affect our position in any way?

FOREIGN SECRETARY: We have not changed our position on the issue of terrorism, on how we think it should be dealt with. It is a scourge. We

see it as an ongoing dialogue, as I said. It is an issue we discussed before with these partners and we will discuss it this time. You cannot expect me to characterize the Government of India's position in the manner that any private commentator does. Everybody is free to have his opinion about what it is. But the Government of India's position as far as I can see has been absolutely clear right through. It is not determined by what anybody else does, it is determined by what we see on the ground, what we experience and how we think it should be dealt with.

QUESTION: Will the civilian nuclear cooperation be a priority at the India-EU Summit?

FOREIGN SECRETARY: It will be one of the items that we will discuss. As I said to you, on the issue of civilian nuclear cooperation, as far as we know, there is no common position. We will certainly raise it with both the UK which has been very supportive in the past, and with Finland, and we will certainly discuss it.

QUESTION: One of the issues in which the EU has been very involved is the dialogue with Iran where Mr. Solana himself is the pointperson. In some of the recent meetings he has had with Mr. Larijani, there is a suggestion that insisting on suspension of enrichment prior to the dialogue beginning is perhaps not the best way because Iranians are saying that once the dialogue begins they can consider suspension. There seems to be a difference of opinion between the EU and the United States. Do we have a position on this? Is it likely to come up for discussion?

FOREIGN SECRETARY: I am sure it will come up. In fact, if it does not come up, we will raise it because we would be very interested in hearing how far those discussions have proceeded and what Mr. Solana thinks of those discussions. At this moment, I do not want to comment. I do not want to get ahead of myself here. Once we know exactly what they think and how far they have got in those discussions, certainly we will share our position and our thinking. Maybe that is better done towards the end of the visit after we have had the discussions.

QUESTION: Most of the EU countries are members of the NSG. Would there be some amount of lobbying to get the NSG to move ahead on the entire civilian nuclear cooperation and India-specific waiver?

FOREIGN SECRETARY: We are in touch with individual NSG members countries. We have a Special Envoy who would do this. There is

an NSG meeting in early October in Vienna. We will be using the opportunity of having them all in one place to meet them and to talk to them. But I think the formal taking up of this issue of civilian nuclear cooperation with India will probably have to await developments in the US legislature process. But certainly we are going through that exercise, talking to each of them. That is why I am saying at the beginning that it is our impression that as a result of this effort over the last year and a half or so, today many more countries in the NSG, in the EU are sympathetic and are positive about the idea of civilian nuclear cooperation with India, many more than there were say two years ago.

QUESTION: Do we also plan to share the information that we have of the involvement of terror groups in Pakistan with the leaders whom the Prime Minister meets in the UK and Finland?

FOREIGN SECRETARY: I just told you we have been discussing counter terrorism, possible action, with these countries for some time. We would certainly bring them up to date with what we have experienced and what we think and what we expect. This would a part of the dialogue. Thank you very much.

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458. Statement of Prime Minister on his departure for UK and Finland for the India-EU Summit.

New Delhi, October 9, 2006.

I will be paying an official visit to the United Kingdom at the invitation of Prime Minister Tony Blair. My visit to Helsinki is for the 7th India-EU Summit as well as to provide me an opportunity to meet Finland's leaders.

The United Kingdom is one of our most important dialogue partners. During the last three years, there has been a substantial deepening of our relations in all key areas – trade and investment, science and technology, energy, education and research and cultural ties. Prime Minister Blair and I will address an Investment Summit. The UK is our largest trading partner in the European Union and an important source of foreign investment. Indian companies are amongst the major investors in the UK. Given the common threats we face, cooperation in the area of combating terrorism has become particularly significant.

I will visit Cambridge University to receive an Honorary Doctorate which will be conferred by the Chancellor of Cambridge University, the Duke of Edinburgh.

The India-EU Summit in Helsinki will provide an opportunity to review progress in implementation of the Joint Action Plan adopted by the last Summit in New Delhi. We will review specific steps to enhance trade and investment ties between India and the European Union, which is not only our largest trading partner but an important source of Foreign Direct Investment and high technology. In recognition of India's growing stature a strategic partnership was formalized during The Hague Summit in 2004. Since then our dialogue has expanded to issues ranging from globalization, counter terrorism energy, environment and high tech areas such as ITER and the Galileo project. An India-EU Business Summit being held in Helsinki will provide an opportunity to reinforce the message of India as a secure and profitable trade and investment destination. Our discussions at the Summit will be reflected in a Joint Statement that will be issued on its conclusion.

During my stay in Helsinki, I will be calling on President Tarja Halonen as well as Prime Minister Vanhanen who had visited India in March this year. Finland is a world leader in high technology sectors including Telecommunications, IT and Biotechnology. I hope my visit to Finland will add further momentum to our bilateral relations.

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459. Keynote address of Prime Minister Dr. Manmohan Singh at India-EU Business Summit.

Helsinki, October 12, 2006.

Hon'ble Mr. Matti Vanhanen, Prime Minister of Finland, Mr. Kamal Nath, our Minister for Commerce & Industry, Mr. Peter Mandelson, the EU Trade Commissioner, Mr. Christoffer Taxell, President of EK, Mr. Saroj Poddar, President, FICCI, Mr. R. Seshasayee, President, CII, Mr. Luca Cordero di Montezemolo, Vice President of UNICE, Excellencies and distinguished participants in the Seventh EU-India Business Summit,

I am deeply honoured to have this unique opportunity to share my thoughts with business leaders from India and the European Union. The practice of holding a business summit alongside the India-EU Summit underscores the importance of business and trade in emerging cooperation between India and the European Union.

Indeed, it is the winds of trade that brought our two civilizations in contact with each other in the modern world. But that was long ago, and in a different world. Today, our businesses meet as equals in a globally integrated environment. In addition, India and European Union have common core values -commitment to democracy, the rule of law and respect for fundamental human rights. There was a time, some years ago, when our newspapers mostly reported on European companies investing in India. Today we read reports about Indian companies and Indian business persons investing in Europe. I welcome this new phase in our business relations.

I understand that many of you have already met my cabinet colleague, Mr. Kamal Nath, Minister for Commerce & Industry, and other members of the Indian delegation. I believe they have brought you up-to-date with economic and social developments in India. I would like to inform you that nowhere else in human history we have an example of over a billion people seeking their social and economic transformation and their salvation in a framework of open society and an open economy and open polity. As such I believe the success of India's experience with this model of development has great significance for evolution of human societies. I sincerely hope that in this saga of adventure and enterprise, India and Europe will be active partners.

As you may be aware India is now into the fourth year of 8.0% annual growth in our national income. This is unprecedented. In the first quarter of the current fiscal year the rate of growth has hit a new high of 8.9%. Our industrial sector is growing at 8.5% to 9% annually. Our savings and investment rates are close to 30% of our GDP. And what is more exciting is that age profile of our population years to come will witness a sharp increase in savings and investment rate and we can find productive jobs for our growing young labour force, that would begin new exciting chapter in long and tortuous history of India for a place under the sun in this harsh and competitive world.

In manufacturing, one of the drivers of growth this year is the automobile industry. Production of commercial vehicles has grown in the first quarter of this fiscal by 36.2%. Air traffic has grown by 32.2%. The number of telephone connections, including mobile phones, a product of particular interest here in Helsinki, has grown by a staggering 48.9%.

Our services sector has been an engine of robust growth in recent years and continues to be so. India is poised to become one of the leaders of the emerging knowledge industry.

Given a stable macro-economic situation, we should be able to record 8.5% growth in GDP during the current year with the industrial sector growing at approximately 10%. I am encouraged by our industrial production registering a 10 year high of 12.4% in July 2006, compared to July of the previous year.

I cite these statistics to draw your attention to the profound underlying changes taking place in India. The process of growth underway in India is now much more sustainable than ever before. More to the point, it is widening and deepening the market for goods and services and in the process creating new opportunities for progress in trade, capital and technology.

However, we are aware that to sustain the growth momentum, we need to do much more in the field of infrastructure and improve its all-round availability and quality. We have evolved several models for greater association of private developers and investors in building highways, ports, telecommunications and various sources of energy. Many established Indian and foreign companies find these to be potentially profitable avenues. I invite European firms to participate actively in the vast infrastructure boom in India that is now unfolding itself in India.

I am informed that a survey conducted by Eurostat in 2003, had revealed that European companies operating in India had a rate of return of 13%, compared to their global average of 6% on capital employed. Earlier this morning, the Prime Minister of Finland was telling me about the example of Finnish businessmen in India. He said the initial years were difficult but that period has gone. Since the reforms process started, there has been a sea change in the climate for investment and we are committed to improve it year after year.

Of course, I am aware of the various issues raised by EU investors and other European participants in the Indo-EU Business Summit held in New Delhi last year. I have learnt a great deal from the findings at this business summit and they will receive most serious attention of our Government back home.

The Government has tried to address several of these concerns, including the need to improve physical infrastructure. We have allowed 51% foreign equity in single brand retail outlets. I know this is not considered very satisfactory but it is good beginning. Several foreign chains have availed of this opportunity and others are seriously exploring this avenue

to enter the rapidly growing Indian retail market. As you know the wholesale trading and franchisee routes are already available to foreign investors in India.

We have taken concrete measures to strengthen the intellectual property regime in India. I do recognize that a strong credible system for enforcement of IPRs is the foundation of the success of business. In the modern technology driven world that we live, We are fully committed to make that happen. Last year, we amended the Indian Patents Act to allow for product patents for pharmaceuticals, bio tech products and pesticides. Earlier this year, we notified a set of Rules to make the new Law operational. The maximum permissible period for grant of a patent has been aligned with our international obligations. We have considerably modernized and strengthened our machinery for grant and enforcement of IPRs, though as you would all appreciate this is a continuing process.

Given our comparative advantage in manpower and now a fully compliant IPR regime, investments in knowledge based industries including R&D facilities can be very attractive. In fact, over a hundred of the Fortune 500 MNCs have already set up research bases in India, and many more investments are right now in the pipeline.

We continue to work towards smoothening our procedures and reducing the paper work involved in starting a business in India. We have enacted the Right to Information Act, a landmark legislation that enables a virtual full and time-bound right to access any information from a government functionary. This makes life for a government functionary difficult but I think that is worthwhile for the greater good of the country.

The EU remains by far India's largest trade and investment partner. The EU's enlargement can only increase its importance for us. There is increasing Indian presence in European business and such a development further strengthen our relationship. We are engaged with the European Union to evolve further formal mechanisms to promote trade and investments between the EU members and India. The recently received recommendations of the High Level Trade Group would form the basis of a future agreement on further economic cooperation.

All this suggests that we have much to look forward to. Yet, the fact remains that the present level of bilateral economic engagement is far below the vast latent potential that now undoubtedly exists. I invite you to show the spirit of adventure and enterprise of your forefathers and set out

to explore the opportunities in India once again. A new India is ready to welcome you with a sense of confidence and hope in the future. As I said, a billion people in India are now seeking the social and economic salvation in the framework of an open polity and an open society. I invite European enterprises to become an active partner in making a success of this phenomenon which I believe is of great historical importance for the humankind in 21st Century. Europe and India must be closer partners in progress and prosperity. Together we must learn to make the future.

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460. Joint Press Conference by President of the European Council Prime Minister Matti Vanhanen, Prime Minister Dr. Manmohan Singh, President Barroso E.U. High Representative and Secretary-General of the Council Javier Solana.

Helsinki October 13, 2006.

PRESIDENT OF EUROPEAN COUNCIL (MR. MATTI VANHANEN):

Prime Minister Singh, President Barroso, High Representative Solana, ladies and gentlemen: It was a great honour to hold the Seventh EU-India Summit in Helsinki today. The Summit further consolidated the ties between the two strategic partners both in numerous fields of mutual interest and in many areas of common concern. Overall, the EU is very pleased with the excellent state of the relationship with India. The EU and India are the two largest democratic entities in the world. We share many key values like our commitment to democracy, human rights and fundamental freedoms, tolerance and diversity. We need to promote them jointly including in the multilateral context. We are increasingly facing common global challenges such as terrorism, security questions, energy issues and climate change. We need to intensify our cooperation on these in the future and the Joint Action Plan provides a solid framework to this end.

I am particularly pleased to announce that in the field of economic cooperation, we endorsed recommendations of the High Level Trade Group including the important decision of moving forward, negotiating on a broad-based trade and investment agreement. We also discussed our achievements in implementing the Joint Action Plan which was endorsed in the previous summit in Delhi a year ago.

During the past years, the two-way flows of trade and investment have grown rapidly. However, there is still great potential and opportunities. In the last summit in Delhi, we decided to establish a High Level Trade Group to explore ways of increasing our bilateral economic ties. In this summit we received a report containing their recommendations. The High Level Trade Group recommends to move towards a broad-based bilateral agreement to enhance trade and investment.

Both Prime Minister Singh and myself addressed the EU-India Business Summit yesterday. The key theme of this year's summit was opening up new business opportunities. The Business Summit focused on sectors where we can see lots of potential for both European and Indian companies such as infrastructure, energy, ICT services and research and manufacturing.

As strategic partners, human rights are naturally a part of our joint agenda and we have bilateral mechanism in place for deeper dialogue. We discussed thoroughly the most topical United Nations issues. We reiterated our support for a strong, effective and efficient UN and reaffirmed our commitment to effective multilateralism and a rule-based international order.

We exchanged views on different international issues - North Korea and its nuclear tests, Iran's nuclear programme, the current situation in Lebanon and in the Middle East, and recent developments in the South Asia region such as the conflict in Sri Lanka and the efforts towards restoring peace and democracy in Nepal. We also discussed developments in Darfur and Burma/Myanmar where the situation is very disturbing.

We recalled the Sixth ASEM Summit hosted by Finland here in Helsinki in September. One of the main outcomes was the decision to invite India to the cooperative process. This historical decision will significantly strengthen ASEM's global weight and visibility, and contribute to a stronger and more comprehensive Asia-Europe partnership.

We also had a discussion on Russia. I think it was the first time in the history of EU-India Summit. Russia is one of the key priorities of the Finnish Presidency. Russia is a strategic partner for both EU and India. In the global context, Russia is a major player in the energy field which was one of the key areas of our discussion.

The EU warmly welcomed India's support for the recent decision on granting EU an Observer's status in South Asian Association for Regional

Cooperation. EU definitely looks forward to the SAARC Summit taking place in Delhi in April next year. We also discussed energy and climate change. We are committed to implementing the Kyoto Protocol mechanism and we agreed to strengthen the dialogue processes initiated under the Montreal Action Plan.

Competitiveness and economic growth are not contradictory objectives to environmentally sound actions. We believe that ambitious and sustainable environmental policies will actually strengthen our competitiveness. Clean technologies and energy efficiency are the future ways to take. Thank you.

INDIAN PRIME MINISTER (DR. MANMOHAN SINGH): Your Excellency Prime Minister Matti Vanhanen, Excellencies, ladies and gentlemen of the press: Prime Minister, it gives me great pleasure to thank you for your hospitality and for the warmth of your reception which has been experienced in such abundant measure by me, by my wife and the members of our delegation. I would also like to convey my deep appreciation to the leadership of the European Commission present here. We have enormously benefited by their wisdom, knowledge and experience.

The consolidation of strategic partnership with the European Union is a foreign policy priority for India. The European Union is not only India's largest trading partner, it is also our largest source of foreign direct investment and of high technology collaboration.

This morning we reviewed the progress made in the implementation of the Joint Action Plan that was agreed upon by India and the European Union during the Summit in New Delhi in September last year. Both sides are united in their determination to further deepen our political and strategic dialogue and expand our economic and trade relations. There was strong recognition that India's ongoing economic liberalization has opened up enormous opportunities for EU countries. There is also a commitment for dealing with issues that hamper bilateral trade and investment ties.

The India-EU Business Summit which was held yesterday was a highly useful forum to strengthen business-to-Government and business-to-business ties. Both Prime Minister Vanhanen and myself addressed the Business Summit yesterday. India and the European Union are already partners in the high technology ITER project. We look forward to early approval by the European Commission of India's partnership as a full member in the Galileo project.

The highlight of our discussions was the endorsement by the Summit of the recommendations contained in the report of the High Level Trade Group. We have agreed to commence negotiations on a broad-based trade and investment agreement between India and the European Union covering over 90 per cent of tariff lines and trade volumes. This is indeed a very significant step that would build on the complementarities in the trade flows between the two sides whereby reduction in tariffs over a period of time will be a win-win situation for both.

We have had productive discussions on the issues of energy and environment. I have explained to the European Union our view that expansion of international cooperation through forward-looking approaches in the field of civilian nuclear energy is important for countries like India which have an impeccable nonproliferation credentials. This will enable them to meet their growing energy needs through nonpolluting energy alternatives.

India and the European Union are natural partners as we share common values of democracy, pluralism and the rule of law. We believe that our partnership is important to meet the challenges of global interdependence, particularly terrorism, proliferation, energy and environment.

We had an extremely useful discussion on instability in our common extended neighbourhoods which is a matter of concern to both India and the European Union. The recent bombings in Mumbai as well as the earlier bombings in London, Madrid and Srinagar remind us that terrorism remains the most serious threat to democratic, open and pluralistic countries. Strengthening international cooperation in this critical area is, therefore, of vital importance to all free and democratic societies.

We discussed the United Nations reform issue including expansion of the permanent membership of the Security Council. There was common agreement that a rule-based multilateral trading order is in the interest of both India and the European Union. We, therefore, are supportive of continuing efforts to bridge the gap in positions of various countries to enable resumption of the Doha Round of negotiations. I am fully satisfied with the Summit outcome. I would like to thank Prime Minister Vanhanen and other dignitaries of the European Union for their contribution. I thank you.

PRESIDENT BARROSO: Thank you. I am very pleased to conclude now this Seventh European Union-India Summit with very positive results.

We had the most cordial and fruitful discussion. We have, for the first time, reviewed implementation of our Joint Action Plan that was adopted last year in the Summit we had in Delhi. So, it was good to see one year afterwards that things are really moving and there is a new commitment and there are concrete results. This was indeed very important.

Prime Minister Vanhanen presented a comprehensive analysis of the subject, so let me underline only one or two points. But let me say in the first place that European Union-India relationship has strong foundation in shared values and mutual interests. We are, as was just said, natural partners.

The Summit endorsed the recommendations of the High Level Trade Group between European Union and India. The conclusions are that we have a good case for negotiations of a broad-based trade and investment agreement. Of course, those facts will have to conduct internal consultations on this matter. It is important bilaterally to start these negotiations but it is also important in a more general perspective because together we can set higher standards in terms of openness in this increasingly globalised world. Our relation is much more than economic, even if economy and trade and investment are so important.

We agreed to further intensify cooperation to address challenges of global concern from energy and climate change to sustainable development, nonproliferation, good governance, human rights, fight against terrorism. On most of these issues we share commitment to a rule-based international order and effective multilateralism. We have agreed to establish a Business Leaders Round Table, which you will see, to exchange views on ways to enhance European Union-Indian trade and business cooperation. We also established a regular high level macro economic dialogue to exchange views on economic and monetary challenges. We also have agreed to establish new cooperation on employment and social affairs. A very important field of cooperation is everything that has to do with science, technological cooperation, from ITER to Galileo.

We also have exchanged views on issues of international concern from North Korea to Iran, Middle East situation, our mutual concerns in South Asia of Afghanistan, Sri Lanka, Bangladesh on which there is I believe a great convergence in the analysis between European Union and India. I really believe it was a very productive summit that was now with some concrete results and that has shown not only the needs of consolidating the results achieved so far but to go ahead with more progress in the next years. Thank you.

EU HIGH REPRESENTATIVE (MR. JAVIER SOLANA): I would like to say a couple of things to add to what has been said very wisely. We define our relationship with India as a strategic partnership. Therefore, as a consequence of that, we have to talk about our bilateral relations. Not only about that, we have to take a look at the world with the same eyes and see what we can get by that looking at the world and the important issues which are now on the table on the agenda of any table like this where people of international responsibility meet. We have looked in great detail at the question of proliferation, terrorism, Middle-East, East Asia, all the questions that are important for both sides, for the European Union and for India. We have checked and checked in a very constructive manner that we have a very common approach to all these issues. That means that the strategic partnership is really working properly not only in the bilateral issues but in the manner we look at the world with more or less the same eyes. Mr. Prime Minister, thank you very much for your hospitality and thank you very much for your cooperation.

QUESTION (BLOOMBERG): Mr. Barroso, I want to ask you about the legislation that got passed by the Lower House of Parliament in France yesterday making it illegal to say that Turkey's hopes to accede to the EU? Is it a backward step? Is it a signal to the Turks that France does not really want them in the EU?

PRESIDENT BARROSO: First of all let me tell you that this issue was not discussed during the Summit. Anyway I will answer the question. We, of course, have to respect all the decisions taken by the Parliament of France. But let me tell you very frankly that we do not think this decision at this moment is helpful in the context of the European Union's relations with Turkey. The issue is a very sensitive one. Let me express of course my solidarity to all the suffering that the Armenian people have experienced over so many years. The question is one of how to address the situation. We believe this is something that has to be addressed in a truly conciliation spirit. It is a debate that is going on in Turkey. In Turkey that debate is developing - intellectuals, historians, the civil society is considering the issue. Frankly, we do not think it is helpful that another, lets say, Parliament outside takes a legislative action on a matter of historic interpretation and analysis. This is not the best way to contribute to something that we think is important. It is an analysis that the Turkish society itself is making of this very important and painful moment.

QUESTION (TIMES OF INDIA):(unclear)...slow progress. Does

not that also indicate that a certain strategic shift in EU-India relationship is still to happen?

INDIAN PRIME MINISTER: I do not think there is any delay in starting negotiations. The decision to appoint a High Level Trade Group was taken last year at the September Summit which was held in New Delhi. The Group has diligently produced a report. The Summit has endorsed the report. Therefore, the negotiations for a broad-based trade and investment agreement can now begin. So, there is no question of there having been a delay.

PRIME MINISTER VAN HAVEN: These questions are always complicated and sometimes also very technical. In the Summit we pushed those negotiations strongly forward.

QUESTION (EUROPEAN MEDIA): This is about the Nobel Prize that was given to the Bangladeshi economist Muhammad Yunus, the inventor of the so-called micro credit. Yesterday Mr. Singh in the press conference you stressed the importance of reducing poverty in India. Do you see micro credit as a way to reduce poverty in India? Also Prime Minister Vanhanen, would you comment on this?

INDIAN PRIME MINISTER: I am very happy that Prof. Yunus has won the well-deserved Nobel Peace Prize. He is an outstanding South Asian. I count him as one of my friends. The movement for micro credit that he has launched has important lessons for tackling the problem of poverty, particularly the problem of rural poverty. So, it comes to me as no surprise that the world at large has recognized the great contribution that Prof. Yunus has made to resolving problems of poverty in poor societies. I as a South Asian rejoice in this achievement of Prof. Yunus.

PRIME MINISTER VANHANEN: I also congratulate Muhammad Yunus and commend his bank for strongly supporting the people. I really congratulate him.

QUESTION (THE TELEGRAPH): My question is to Prime Minister Singh. Prime Minister, you talked of zero tolerance against terrorism. What does it mean in practical terms? What do you expect the EU to do and what are you doing? You say that it will send the right signal to unnamed countries who are directly engaged in terrorism or who allow their territories to be used for terrorism. Why is there also reluctance to name these countries? What are you doing? What do you expect EU to do? Which are these countries?

PRIME MINISTER SINGH: What we are doing back home I think is well-known to all of you. So, I do not have to dwell on that. The purpose of discussions at this EU Summit level was to learn from each others' experience. We all agree that terror is a scourge which constitutes a threat to all civilized societies. Therefore, we have an obligation to cooperate with one another in every possible way to tackle this menace to civilized ways of living all over the world. EU and India have agreed that we will cooperate not only in ensuring that the process of having the UN Comprehensive Convention on Terrorism adopted - that is a common stand that we both have taken - but at the bilateral level we have also agreed to exchange information, exchange intelligence and other related matters between EU and India.

QUESTION (EUROPEAN MEDIA): ...(unclear)...

PRESIDENT BARROSO: Of course, we join all those who have condemned this provocative act and we hope the international community will have a clear, determined response. In fact, it is all the credibility of the international community that is at stake when we are now seeing in which way we can show the condemnation of that act. That is, of course, not good news for peace in the region and in the world.

QUESTION (INDIAN MEDIA): I would like to know for our viewers back home what the trade and investment agreement does mean in simple terms relating to services, manufacturing, ICT. If the two Prime Ministers can give broad remarks on what this means to consumers of policy on two sides.

INDIAN PRIME MINISTER: By now there is a convincing amount of evidence that the liberalization of trade can be a win-win situation. There are great complementarities between production structures in Europe and production structures in India. Therefore, the liberalization of trade in goods and services can, therefore, lead to increased trade, increased employment, increased output, which can be mutually beneficial both for EU as well as for India.

PRESIDENT BARROSO: European Union and India, High Level Group recommended that we have a negotiation of a broad-based trade and investment agreement. Prime Minister Singh said just now that the European Union is the most important partner in trade and investment of India. We both were disappointed with the failure of the Doha Talks and we expect those talks to resume. We stay committed to a true multilateral

approach to trade. But, meantime, we should also do something together, India and the European Union. I believe it is in the interest of both sides and our consumers and our business communities - there are great opportunities as just now said by Prime Minister Singh – but also it is in the global interest because together when we have European Union is the biggest trade player in the world and such an important country like India, an emerging economic power, getting an agreement is useful not only for both sides but it sets the standards for further openness in this increasing global world.

QUESTION (AFP): ... (unclear)... you have set targets in terms of time table for designing of an agreement?

INDIAN PRIME MINISTER: This is what we have agreed. It will be a broad-based trade and investment agreement. So, all the relevant options will be explored when the negotiations start.

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461. Opening Statement of Prime Minister Dr. Manmohan Singh at 7th India-EU Summit.

Helsinki, October 13, 2006.

Prime Minister Matti Vanhanen, European Commission President Jose Manuel Barroso, EU High Representative Javier Solana, Commissioner Peter Mandelson, Excellencies, Ladies & Gentlemen,

I would like to thank our host for the 7th India EU Summit, Prime Minister Vanhanen of Finland for his gracious hospitality. I would also like to acknowledge the presence here of the leadership of the European Union and thank them for their participation.

Let me introduce the members of the Indian delegation... Consolidation of strategic partnership and intensification of dialogue with the European Union has been a priority of our Government's foreign policy.

We welcome forward movement in implementing the Joint Action Plan adopted by the last Summit in New Delhi in September last year.

We are deeply satisfied that the report of the High Level Trade Group has recommended for decision by this Summit, the launching of negotiations

for a broadbased Trade and Investment Agreement with the EU. We look forward to early conclusion of these negotiations within a period of 2 years as envisaged by the Report.

India and the EU are indispensable pillars of a new multi-polar world order. We have both the will and the capability to make meaningful contributions for meeting the challenges of managing global inter-dependence.

An international order based on well defined rules and effective institutions is in our vital interests. While there are some rules for managing growing economic inter-dependence, we still lack forward looking institutional arrangements to manage the global political order.

We believe that inclusive globalization will help in the equitable sharing of the fruits of economic and social development to address global problems of poverty, marginalization and inequality.

We must work against artificially dividing the world along religious or cultural lines as such divisions will spell the death knell of globalization.

Our shared values of democracy and respect for human rights, and our commitment to pluralism and liberty make us natural partners. We are also the world's foremost example of multi culturalism, which we believe is an inevitable consequence of globalization.

The successful model of Indian democracy, with high economic growth and inclusive governance gives India a special position as a unique partner for the EU in the region extending from Gibraltar to the Malacca Straits.

There are strong geo-political underpinnings for India and the EU to work together.

India's global vision would remain imbalanced without the EU, more so, now, with the EU's integrated foreign and defence policies.

Similarly, we believe that the EU's engagement with Asia would be incomplete without India. This recognition has found expression in the recent decision to include India in ASEM which we welcome and appreciate.

India and the EU must work together in addressing key issues of globalization, terrorism, proliferation, energy and environment.

India is witnessing one of the most far reaching transformations of this century. Over a billion people are seeking salvation within the framework of an open economy and an open society committed to fully respecting fundamental human freedoms and the rule of law.

As a result of economic reforms initiated in the early 90s, India is experiencing an explosion of creativity and entrepreneurial spirit that has unleashed an economic boom.

The EU which is India's largest trading partner and the second largest FDI source is already well poised to take advantage of these gigantic transformations.

India has registered a growth rate of 6-8 per cent per annum for the last 16 years. In the first quarter of this year, our growth rate was a robust 8.9 per cent.

We want EU to be a partner in our ambition to increase and sustain growth rates of 10 per cent per annum in the coming years.

We want EU to look at India as a safe, secure and profitable trade and investment destination. We want you to look at India as a hub for high technology R&D, manufacturing and for services. Not just for the vast Indian market but for adjoining areas with which India enjoys close ties – South East Asia, West Asia and Central Asia.

We want you to take advantage of the vast pool of quality scientific talent and a young skilled work force in the manufacturing and service sectors.

Restrictive visa regimes can stifle this potential. We should promote freer movement of people which is an inevitable requirement of globalization, while stemming the tide of illegal migration which we must all discourage.

We recognize the interest of the EU on measures that India will take to further liberalise FDI in areas such as Telecommunications and Retail; efforts to improve infrastructure; opening up our financial sector and relaxation of labour laws. These issues continue to receive the attention of our Government. We want the EU to look at the expanded opportunities offered by our Special Economic Zones.

Achieving energy security to provide for safe, secure, affordable and sustainable energy supplies is our common concern. We must also look to

alternatives to our dependence on fossil fuels through non-polluting sources such as nuclear energy.

We hope that the European Union will be in a position to support forward looking approaches to enhance international cooperation in the peaceful uses of nuclear energy. This will enable countries like India to expand the share of nuclear energy in their national energy baskets.

A meeting in Vienna with the NSG yesterday gave India the opportunity to reiterate its firm commitment to non-proliferation objectives while working with like-minded countries in expanding cooperation in the peaceful uses of nuclear energy. I would like to state that India strongly believes that a further erosion of the non-proliferation regime is not in India's interests.

We would like to thank the European Union for its support for India joining the ITER Project as a full partner country.

I hope that the EU would be in a position to conclude early an agreement confirming India's membership of the Galileo Global Satellite Project.

The recent bombings in Mumbai as well as the earlier bombings in London, Madrid and Srinagar remind us that terrorism remains the most serious threat to democratic, open and pluralistic countries. Strengthening international cooperation in this critical area is of vital importance to all free and democratic societies.

An international norm of zero tolerance against terrorism will send the right signal to those countries directly engaged in terrorism or which are allowing their territories to be used for terrorist purposes.

Thank you.

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462. Implementation Report on the EU-India Joint Action Plan.

Helsinki, October 13, 2006.

1. The Sixth EU-India Summit, held in New Delhi on 7 September 2005, endorsed a comprehensive Joint Action Plan setting out a road map for the EU-India Strategic Partnership. It was agreed that a report on progress in implementation of the Joint Action Plan would be presented before each annual Summit.
2. Looking at each of the successive sections of the Joint Action Plan, both sides are pleased to report the following achievements: Strengthening dialogue and consultation mechanisms.
3. Since the sixth EU-India Summit, the two sides have taken significant strides forward in strengthening their dialogue, including through setting up a number of new consultation mechanisms.
4. The new EU-India consultation mechanisms that have been put into place include, among others, a Security Dialogue, a Dialogue on Migration issues and Visa Policy, sectoral Working Groups on Pharmaceuticals and Biotechnology, Agriculture and Marine Products, Food Processing, Technical Barriers to Trade and Sanitary and Phytosanitary Issues, and an informal Joint Action Plan Implementation Steering Committee. A High Level Trade Group was also constituted to study and explore ways and means to deepen and widen the bilateral trade and investment relationship.

Political dialogue and cooperation

5. The EU and India have developed institutional mechanisms to exchange ideas on regional issues. Building on this, the EU presented an application for observer status in South Asian Association for Regional Cooperation (SAARC), with a view to developing even closer contacts with this body. With India's support, the EU's application for Observer status in SAARC was considered and approved by the 27th SAARC Council of Ministers Meeting in Dhaka on 1-2 August 2006. The EU was invited to attend, as an observer, the 14th SAARC Summit, which will be held in New Delhi on 1-4 April 2007.
6. In the field of effective multilateralism, the EU and India cooperated closely in the past year on UN reform, including by encouraging the

establishment of the United Nations Human Rights Council, of which India and seven EU Member States are currently members, and of the United Nations Peace-Building Commission, which has India and eight EU Member States among the members of its organisational committee. Both sides have held various consultations in New York and Geneva to discuss topics of common interest. The EU and India will continue working together in multilateral fora to further common interests.

7. As agreed under the Joint Action Plan, human rights consultations were held on 1 December 2005 in New Delhi. An EU-India conference on “Global Agendas: Peacemaking in the 21st Century” was held in Delhi in February 2006. It is expected that the UN Peace-Building Commission may offer new avenues to cooperate in the field of peace-building.
8. The first meeting of the EU-India Senior Officials Security Dialogue, held in New Delhi on 22 May 2006, saw a useful exchange of views on global and regional security issues, disarmament and non-proliferation.
9. Contacts have been established between Indian officials and the Personal Representative of Mr Solana for non-proliferation. The two sides are considering possibilities for exchanging views on respective export control systems.
10. The sixth EU-India consultations on terrorism took place in Brussels in December 2005. It was useful in taking forward cooperation between the EU and India in the fight against terrorism and organised crime. The EU Counter-Terrorism Coordinator visited New Delhi in October 2006 to establish contact with his Indian counterpart. Their talks were the occasion to explore how to take forward EU-India counter-terrorism cooperation.

Bringing together people and cultures

11. The EU-India Civil Society Round Table has been a useful forum for involving civil society stakeholders in the Strategic Partnership. Its ninth meeting, in September 2005 in Hyderabad, addressed Pluralism and Diversity. The tenth meeting, in June 2006 in Vienna, focused on Energy, Social Development and Minorities. Enhanced civil society exchanges are also being developed in other areas.

12. The first round of a new Dialogue on Migration Issues and Visa Policy took place on 27 June 2006 in Brussels. The EU-India Joint Working Group on Consular Affairs held its 10th meeting in New Delhi on 14 June 2006.
13. Both sides welcome the intensification of EU-India parliamentary exchanges, as illustrated by the visit to India, in November 2005 and in April 2006, by members of the European Parliament delegation for relations with South Asia and their interactions with the Indian Members of Parliament. The President of the European Parliament, Mr Josep Borrell, also visited India from 30 September to 6 October 2006.
14. The number of scholarships awarded under the Erasmus Mundus India Window has more than doubled between the academic year 2005-2006 and the year 2006-2007. Both sides are undertaking promotional actions, to raise further awareness about this programme. Both sides have agreed to explore the modalities for the establishment of a network of 'EU Studies Centres' in a number of Indian universities. Several Chairs for Indian contemporary study centres are being established in European universities by the Indian Council of Cultural Relations. In order to further stimulate research on contemporary Indian issues in the EU, the European Commission has supported the establishment of an Academic Network of European Research related to India (ANERI).
15. Cultural initiatives have been organised, such as the EU Cultural Weeks in India (in September 2005), the 11th European Film Festival in India (in March-April 2006), as well as the India Festival in Brussels (from October 2006 to January 2007), organised by 'Bozar' in association with the Indian Council for Cultural Relations.

Economic policy dialogue and cooperation

16. The European Commission is currently drafting a Country Strategy Paper 2007-2013 for India, which outlines the priorities and provides the financial framework for the funding of cooperation activities in India. In this context, an Action Plan Support Facility is being established to kick-start activities in selected areas of priority.
17. Indian Finance Minister Chidambaram met with Commissioner Almunia in Brussels on 12 June 2006. At this meeting, it was agreed that the Indian authorities and the European Commission would

actively explore the modalities for the launch of a Macroeconomic Dialogue.

19. The first meeting of the Working Group on Pharmaceuticals and Biotechnology took place on 18 July 2006. It made a special reference to Ayurveda (Indian traditional system of medicine). Under this framework, an expert meeting on Ayurveda was held on 15 May 2006 in London, together with the European Agency for the Evaluation of Medicinal Products (EMA). The Government of India hosted in April 2006 in New Delhi an “Asia Stakeholder Consultation on the EU’s Policy to Confront HIV/AIDS, Malaria and Tuberculosis” funded by the European Commission, which brought together officials, experts and civil society representatives from 16 Asian countries. Both sides exchanged experience, both at technical level and within the EU-India Security Dialogue, on tackling avian flu.
20. The fourth meeting of the EU-India Working Group on Information and Communication Technologies was held in Brussels in October 2005. European Commissioner for Information Society and the Media, Viviane Reding, visited India in November 2005 and proposed steps to further promote bilateral cooperation in Information and Communication Technology. Connectivity between the European (GEANT2) and Indian (ERNET) high speed research networks has been operational since August 2006 and will last for one year.
21. A visit to India of the European Commission Director General for Research and Development was followed by the establishment of a Science and Technology section in the European Commission Delegation in New Delhi. Within the framework of the EU-India Scientific and Cooperation Agreement, EU-India workshops have been held on Computational Materials Science, on Infectious Diseases as well as on cooperation in e- Safety. Since September 2005, Indian participation in the sixth EU Framework Programme for Research has more than doubled to over 50 projects. Efforts have been devoted to raising awareness on opportunities available for Indian participation in the seventh Framework Programme.
22. On 6 December 2005, India formally became a participant in the ITER project on fusion energy with the full backing of the EU. An EU-India Energy Business Conference was held on 6 April 2006 in

New Delhi with the participation of senior-level officials and industry representatives. The second meeting of the EU-India Energy Panel took place on 7 April 2006. The Energy Panel meeting was preceded by the first meetings, between January and March, of the three Working Groups on Fusion/ITER; Coal and Clean Coal Technologies and Renewable Energies and Energy Efficiency. Both sides agreed to establish a fourth Working Group on Petroleum and Natural Gas, as well as where appropriate also include key stakeholders from industry in the Working Group discussions. The Energy Panel also agreed to launch a set of studies in the energy domain.

23. An EU-India Workshop on the Kyoto Protocol's Clean Development Mechanism (CDM) was held in November 2005 in New Delhi, which coincided with the first EU-India Environmental Forum, which focused on Waste Management. In February 2006 the EC-India Joint Working Group on Environment met in New Delhi.
24. Three rounds of discussions have been held during 2006 on Civil Aviation Cooperation including consultations on a Horizontal Civil Aviation Agreement. Both parties have agreed that, once formalised, a Horizontal Agreement will represent an important step forward in the development of the aviation relationship between the EU and India. Both sides also stressed the importance of agreeing on the priorities for a new technical cooperation programme in the Civil Aviation sector.
25. The first round of negotiations on a maritime transport agreement took place on 5-7 July 2006, in a constructive atmosphere, to discuss key issues related to a future EU-India agreement. The delegations agreed to hold a second meeting as soon as possible after the Summit in Helsinki and before the end of 2006.
26. The formal signing of the cooperation agreement on GNSS (Civil Global Navigation Satellite System) between the European Community and its Member States and the Republic of India should take place towards the end of 2006. Informal contacts on space policy have been made between respective authorities.
27. The European Commission and Indian Ministry of Labour and Employment agreed in February 2006 on a draft Memorandum of Understanding on Cooperation on Employment and Social Affairs.

28. A draft Work Programme for EU-India Customs Cooperation has been prepared.

Developing trade and investment

29. The High Level Trade Group was established at the sixth EU-India Summit. It has achieved significant progress in its work. The Group will present its report, including recommendations on how to take forward EU-India relations in the areas of trade and investment, to the seventh EU-India Summit.
30. Dialogue on WTO/DDA between EU and India has been particularly close and frequent at both technical and political levels during the negotiations.
31. An EU-India seminar on Geographical Indications was held on 23-24 November 2005 in New Delhi.
32. A seminar on Public Procurement was held in New Delhi on 12 May 2006 where both sides exchanged information on their respective legislation and practices.
33. The working group on Technical Barriers to Trade and Sanitary and Phytosanitary Issues has been set up and has held its first meeting, on 10-11 July 2006 in New Delhi.
34. An EU-India CEO Round Table has been established under the lead of the business confederations on both sides - the Confederation of European Business (CEB/UNICE) and Confederation of Indian Industry (CII) / Federation of Indian Chambers of Commerce and Industry (FICCI).

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**463. Joint Statement issued at the end of the India-EU Summit.
Helsinki, October 13, 2006.**

1. The seventh EU-India Summit was held in Helsinki on 13 October 2006. The EU was represented by Mr. Matti Vanhanen, Prime Minister of Finland, in his capacity as President of the European Council, assisted by High Representative for Common Foreign and Security Policy Dr Javier Solana; and by the President of the European Commission, Mr. Jose Manuel Barroso, European Commissioner for External Relations Mrs. Benita Ferrero-Waldner and European Commissioner for Trade Mr. Peter Mandelson, Mr. Erkki Tuomioja, Finnish Foreign Minister, and Mrs. Paula Lehtomäki, Finnish Minister for Foreign Trade and Development. The Republic of India was represented by Prime Minister Dr Manmohan Singh, Mr. Kamal Nath, Minister for Commerce and Industry, Mr. Anand Sharma, Minister of State for External Affairs, and Mr M K Narayanan, National Security Adviser. The leaders sent the following message:
2. The EU and India, as the two largest democracies in the world and global actors in the multipolar world, reiterated their commitment to the Strategic Partnership launched at the fifth EU-India Summit in The Hague. This Partnership is firmly based on the shared values of democracy, pluralism, rule of law and respect for human rights. The two sides adopted a comprehensive and forward looking Joint Action Plan at the sixth EU-India Summit at New Delhi. Since then the EU and India have been working together closely to build on and take forward their Strategic Partnership at a bilateral and global level. The two leaders welcomed the progress achieved in the implementation of the Joint Action Plan and reaffirmed their commitment to take it forward.
3. The leaders welcomed the steady, significant intensification of the dialogue between the strategic partners. The level of engagement between India and individual EU Member States has also been qualitatively enhanced. Practical steps have been taken in setting up a number of new consultation mechanisms. The number of official visits has multiplied. Over and beyond this has been the marked expansion of formal as well as informal day-to-day contacts at working level between experts on subjects across the board. EU-India cooperation will be further enhanced through efforts to work

towards facilitating the movement of businesspersons, professionals and tourists, as well as researchers, scientists, students and academics between India and the EU Member States.

4. The EU and India stand committed to the rules-based multilateral trading system. The successful outcome of the Doha Development Agenda (DDA) multilateral trade negotiations remains their foremost trade policy priority, and they agreed to ensure that the deepening of bilateral trade relations supports the larger multilateral trading regime.
5. The rapidly growing flows of two-way trade and investment between the EU and India reflect the strengthening of bilateral ties. Leaders on both sides encouraged an expansion and deepening of trade and investment linkages. Recognising that stronger economic engagement is mutually advantageous and would buttress the Strategic Partnership, the leaders decided to advance their bilateral trade relations. The Summit welcomed the work done by the High Level Trade Group and endorsed the case made for a future broad-based bilateral trade and investment agreement. The Summit agreed that both sides move towards negotiations for such an agreement.
6. The close association of industry and business in EU-India cooperation as well as dialogue between businesses from both sides are crucial to achieving the common goal of enhancing trade and investment. The EU-India Business Summit, and the launch of the EUIndia CEO Round Table held in Helsinki yesterday, have provided for useful and constructive interactions among key Business leaders from both sides.
7. The EU and India are committed to promoting international peace and security and working together towards achieving economic progress, prosperity and sustainable development, as well as promoting good governance. Both the EU and India are committed to upholding human rights and fundamental freedoms. The two sides will continue, in a spirit of equality and mutual respect, the dialogue on human rights both in a multilateral and bilateral context.
8. The leaders welcomed the recently established EU-India Security Dialogue, held for the first time in May 2006, as a useful and important forum for an in-depth exchange of views on global and regional security issues, including disarmament and non-proliferation, as well as bilateral issues of common concern.

9. Emphasising the paramount need for effective multilateralism and their commitment to a rules-based international order, the leaders reaffirmed their commitment to intensify cooperation at the United Nations and in multilateral fora to address issues of global concern, including in the areas of development and environment. The Summit underlined the importance of a strong, effective and efficient United Nations Organisation and the leaders also recognised the need for a comprehensive UN reform. The Summit agreed to work jointly towards strengthening the role of the newly established UN Human Rights Council and the Peace Building Commission, and stressed the need to maintain momentum in the efforts to adapt the United Nations to the needs of today's world. In this same context the leaders stressed the need for more efficient environmental activities in the UN system. They also agreed to continue to explore the possibility of a more coherent institutional framework, building on existing institutions. The Summit leaders also expressed their conviction of the need to eliminate impunity for the gravest international crimes.
10. The EU and India reaffirmed their shared interest in working together as partners for disarmament and for countering the proliferation of WMD and their delivery systems. They regard the proliferation of weapons of mass destruction and their delivery systems, including the risk of their falling into the hands of terrorists and other non-state actors, as a major threat to international peace and security. In this context they emphasised the importance of full compliance by all States with their existing obligations through national implementation as well as UNSC (United Nations Security Council) Resolution 1540. They agreed that effective national export control measures for dual use goods, with due regard for cooperation for peaceful purposes, play a crucial role in preventing proliferation.
11. The leaders expressed deep concern at the reported nuclear test conducted by the Democratic People's Republic of Korea (DPRK) in violation of its international commitments. They agreed that the test jeopardises regional peace and stability and highlights the importance of countering proliferation. Leaders urged the DPRK to return immediately and without preconditions to the Six-Party Talks.
12. The leaders emphasised the urgent need for the international community to promote a comprehensive peace plan for the Middle East / West Asia, with the objective of reaching a comprehensive, just

and durable peace and stability in the region. They reaffirmed their support for a negotiated settlement of the Israeli-Palestinian conflict based on existing agreements, including relevant UNSC Resolutions, the Roadmap, and the Arab League Resolution (Beirut 2002). The leaders discussed the situation in Lebanon and supported the full implementation of UNSC Resolution 1701. They also welcomed the reinforced UNIFIL for which EU Members contribute half the forces, along with countries like India, which have contributed towards UNIFIL since its inception more than two decades ago. They also stressed their determination to bring humanitarian assistance and recovery aid to the people of Lebanon in rebuilding of their nation.

13. In addition, the leaders discussed, inter alia, the situation in Sudan as well as Iran's nuclear programme. They also discussed Burma/Myanmar and agreed that progress towards democracy and inclusive national reconciliation in Burma/Myanmar would contribute to peace and prosperity in that country.
14. The EU and India reaffirmed their long-term commitment to assist the Afghan Government in the stabilisation and rebuilding of Afghanistan. In this context, both sides welcomed the holding of the second Regional Economic Cooperation Conference (RECC) in New Delhi on 18-19 November 2006. They noted that although much has been achieved during the recent years, formidable challenges still lie ahead in the arena of security, governance, rule of law, economic and social development as well as human rights. They recalled the consistent need to assist the Afghan Government in establishing its control throughout the country and in curbing the ongoing insurgency. In this context the importance of counter-narcotics efforts was stressed.
15. The leaders welcomed the restoration of democracy in Nepal. This has paved the way for finding a peaceful political solution to the challenges facing that country. The Summit leaders welcomed the dialogue between all political groups for restoring political stability in an atmosphere free from violence. They also stressed the importance of consolidating the rule of law and respect for human rights in the context of multi-party democracy in Nepal.
16. Both sides are convinced that violence is not the answer to problems in Sri Lanka, and call on the parties to return to talks immediately.

The ongoing hostilities have resulted in great suffering including the loss of life, internal displacement of thousands, and a refugee exodus to India. The leaders expressed strong, continuing support for the efforts of Norway as the facilitator to bring peace to Sri Lanka.

17. The EU welcomed India's support for the EU's application for observer status in SAARC (South Asian Association for Regional Cooperation), which was considered and approved by the 27th Council of Ministers Meeting in Dhaka on 1-2 August 2006. The EU looked forward to attending as an observer the 14th SAARC Summit, which will be held in New Delhi on 1-4 April 2007.
18. The leaders warmly welcomed the decision on ASEM (Asia Europe Meeting) enlargement taken at the sixth ASEM Summit in Helsinki on 11 September 2006. The leaders looked forward to India's future contribution to the ASEM process as it enters its second decade. They also noted that India's participation will further increase the representativeness, dynamism and innovative character of the ASEM process, which is the main forum for dialogue and cooperation between Asia and Europe.
19. The EU and India stand united in facing the scourge of terrorism, which constitutes one of the most serious threats to international peace and security. The EU and India condemned terrorism in all its forms and manifestations, committed by whomever, wherever and for whatever purpose. The fight against terrorism can only succeed if it is sustained and comprehensive. The EU and India, therefore, attach great importance to counter-terrorism cooperation in the framework of the United Nations and share a commitment to universal ratification and full implementation of all international counter-terrorism conventions and related protocols. The EU and India continue to work actively towards a swift finalisation of a Comprehensive Convention on International Terrorism at the UN. They also welcomed the adoption of the first UN Counter-Terrorism Strategy by the General Assembly on 8 September 2006. The EU and India expressed their commitment actively to support implementation of the Strategy in all its dimensions. The leaders affirmed their commitment to combat terrorism with full respect of obligations under international law, in particular human rights law, refugee law and international humanitarian law. Both sides are committed to continuing their cooperation on counter-terrorism and

look forward to holding their next regular consultations in 2006. Strengthening cooperation to combat terrorism continues to be one of the priority areas for the EU-India Strategic Partnership.

20. Both the EU and India attach high priority to energy security as a key to stable and sustainable development. Energy is an important area of ongoing and future policy dialogue and practical cooperation between the EU and India. Significant progress continues to be made within the framework of the EU-India Energy Panel and its working groups. Both sides agreed that the first EU-India Energy Business Conference was an important step in bringing together various stakeholders in the process. They also expressed satisfaction over the establishment of a fourth new working group on Petroleum and Natural Gas. The EU and India will continue work to develop the necessary knowledge and expertise for the use of clean coal technology and sustainable clean energy resources.
21. The leaders reaffirmed that urgent action is required by all countries to address climate change in accordance with their common but differentiated responsibilities and respective capabilities. They welcomed progress in the implementation of the EU-India Initiative on Clean Development and Climate Change. They agreed further to strengthen their dialogue and exchange views on key issues, in particular those related to processes initiated under the Montreal Action Plan. They are committed jointly to facilitate the development, transfer, deployment and dissemination of sustainable and efficient energy systems, promoting renewable, low emission technologies and energy efficiency, and the implementation of the Kyoto Protocol mechanisms. They underlined the importance of encouraging and promoting sustainable patterns of consumption and production to lessen the causes and adverse impacts of climate change. They particularly emphasised the need to exploit, as appropriate, the synergies between the promotion of energy security, sustainable energy supply, innovation and reduction of greenhouse gas emissions in order to move to a low-carbon future.
22. The EU and India recognise the critical role of science and technology (S&T) in striving towards their respective knowledge-based economies and the mutual benefits of further strengthening joint research and S&T cooperation. The leaders look forward to the renewal of the EU-India S&T agreement in 2007. Both sides welcomed India's full membership in the ITER project.

23. Given the healthy growth and potential in two-way trade, tourism, research and student exchanges, and business between the EU and India, the leaders recognised the importance of strengthening transportation links in order to further promote and facilitate exchanges. The leaders took note of the progress achieved in 2006 in the area of civil aviation cooperation and reiterated the significant prospects of further strengthening cooperation in the aviation sector. The leaders also welcomed the joint organisation of the first EU-India Aviation Summit that will take place in New Delhi on 23-24 November 2006, and the prospect of a finalisation of a 'Horizontal Agreement' between the EU and India, as well as an agreement on the priorities for a new technical cooperation programme.
24. The leaders welcomed the launch of the negotiations for a maritime transport agreement between the EU and India and expressed their full support to the continuation of the negotiation process with a view to concluding a mutually beneficial agreement.
25. The leaders also welcomed the finalisation of a Memorandum of Understanding on an EU-India Dialogue and Cooperation on Employment and Social Policy and looked forward to its signing at an early date.
26. The leaders reaffirmed their commitment to deepen bilateral economic cooperation and establish new policy dialogues in areas of mutual interest. They took note of the first meeting of the working group on Pharmaceuticals and Biotechnology, with particular reference to Ayurveda (Indian traditional system of medicine) and to regulatory issues concerning data protection and development of innovation. They looked forward to a visit to India this year by a team of experts from the European Commission to study the Ayurveda system.
27. Within the broad context of EU-India economic cooperation, the leaders support the establishment of a regular macro-economic dialogue, which would allow both parties to discuss economic developments and policy challenges in their respective economies as well as developments in the world economy at large. Both sides reiterated their commitment to the continuation of their financial services regulatory dialogue. Recognising the benefits of closer cooperation in fostering the protection and promotion of intellectual property rights, the leaders reaffirmed their commitment to develop

an active dialogue in this field, including cooperation on capacity building activities, human resource development and public awareness programmes.

28. Referring to the 2004 Joint EU-India Declaration on Cultural Relations, both sides stressed the importance of cultural diversity and of the early ratification and implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, as well as the growing importance of dialogue among cultures and civilisations in the new millennium.
29. Both sides welcomed the first EU-India Higher Education Fair to be held in November 2006 in New Delhi.
30. The leaders expressed their appreciation of the work of the EU-India Civil Society Round Table and acknowledged the valuable contribution of civil society to EU-India relations. They welcomed the launching of the EU-India Civil Society Internet Forum.

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BULGARIA

464. Joint Statement on the official visit of Minister of State Anand Sharma to Bulgaria.

Sofia, June 17, 2006.

1. At the invitation of H.E. Mr. Ivailo Kalfin, Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Bulgaria, H.E. Mr. Anand Sharma, Minister of State for External Affairs of the Republic of India paid an official visit to the Republic of Bulgaria on 15–17 June 2006.
2. During the visit the Minister of State for External Affairs had a separate meeting and held delegation-level talks with the Deputy Prime Minister and Minister of Foreign Affairs H.E. Mr. Ivailo Kalfin who also hosted a luncheon in honour of the visiting dignitary. Minister Anand Sharma called on H.E. Mr. Georgi Pirinski, President of the National Assembly of the Republic of Bulgaria, and H.E. Mr. Sergei Stanishev, Prime Minister of the Republic of Bulgaria. He met H.E. Mr. Rumen Ovcharov, Minister of Economy and Energy, and H.E. Ms. Snezhana Grozdilova, Chairperson of the Group of Friendship with India at the National Assembly, and members of the Group. The talks were held in an atmosphere of warmth, friendship and mutual understanding that traditionally characterise the relationship between Bulgaria and India.
3. Both sides expressed their willingness to further strengthen and expand bilateral relations in a wide range of areas, including political dialogue at all levels, trade, economic cooperation and investment promotion, scientific and technological cooperation, cultural and educational exchange. They shared the view that with Bulgaria joining the European Union soon, new opportunities arise for closer and more dynamic partnership between Bulgaria and India.
4. Stressing the significance of the state visit of H.E. Dr. Abdul Kalam, President of India, to Bulgaria in October 2003, as well as subsequent visits at ministerial and other levels, the two sides agreed to continue to maintain high-level bilateral contacts on a regular basis, including at the level of Head of State and Head of Government.
5. Both sides called for further intensification of parliamentary contacts, and acknowledged the contribution of the Group of Friendship with

India at the National Assembly of the Republic of Bulgaria towards promoting bilateral relations. The Indian side conveyed that a Parliamentary Friendship Group with Bulgaria would be constituted at the Parliament of India soon.

6. The two sides stressed their readiness to continue to maintain close contacts between the two foreign ministries at various levels, including within the framework of bilateral consultations and the links between the diplomatic training institutions. The Bulgarian side expressed its high appreciation of the assistance in the field of training rendered by the Government of India under the ITEC and other programmes.
7. The Indian and the Bulgarian side highly appreciated the results of the 4th Session of the Joint Committee for Scientific and Technological Cooperation and the 2nd Session of the ICT Forum both held recently in Sofia which gave a new impulse to the cooperation in these high priority areas. It was agreed to hold the 16th Session of the Joint Commission for Economic, Scientific and Technical Cooperation in Sofia and the 13th Session of the Joint Committee on Defence Cooperation in New Delhi at mutually convenient dates later this year.
8. The two sides agreed to continue to work for the implementation of the project for establishing a solar-based power station in Bulgaria with the expertise and assistance of India.
9. Both sides took note of the need for expanding cooperation in the field of culture and education, including promotion of Bulgarian studies in India and Indological studies in Bulgaria.
10. The two sides exchanged views on a broad range of regional and international issues of mutual interest and expressed satisfaction with the existing close proximity of views. They expressed their intention to further strengthen the cooperation between Bulgaria and India in the UN and at other international fora.
11. The Indian and the Bulgarian side emphasised the essential role of the UN for global peace and security, for promoting the economic and social advancement of all people and for meeting global threats and challenges. Recognising the serious threat that terrorism poses to international peace and security, they reaffirmed their strongest

condemnation of terrorism in all its forms and manifestations, as well as their keenness to further strengthen cooperation at the bilateral level and within the UN framework in the fight against international terrorism, organized crime and trafficking, and on disarmament and preventing proliferation of weapons of mass destruction and their means of delivery. They supported expeditious adoption and implementation of a UN Comprehensive Convention on International Terrorism. They agreed to continue their useful exchange of views in the context of the discussions at the UN on a global counter-terrorism strategy.

12. Both sides stressed their resolve to continue to work for the UN reforms aimed at enhancing the organization's effectiveness to deal with the myriad challenges of today's world. They welcomed the establishment of the Human Rights Council and the Peace Building Commission and pledged their support for the successful work of the new organs of the UN at the significant initial stage. As founding members of the UN Democracy Fund, Bulgaria and India reiterated their willingness to continue to work together to achieve the aims and objectives of the Fund. They also reiterated their willingness to continue cooperating within the Community of Democracies. In the context of plans for the long overdue reform and expansion of the UN Security Council, Bulgaria reiterated its support for India's candidature for permanent membership. The Indian side conveyed its thanks for Bulgaria's support.
13. The Minister of State for External Affairs of India visited "Indira Gandhi" School in Sofia and had a meeting with the governing body of "Friends of India" Club and with faculty and students of Indology Department of Sofia University "St. Kliment Ohridski".
14. The Minister of State for External Affairs of the Republic of India H.E. Mr. Anand Sharma extended an invitation to H.E. Mr. Ivailo Kalfin, Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Bulgaria, and also conveyed invitations to H.E. Mr. Georgi Pirinski, President of the National Assembly of the Republic of Bulgaria, and to H.E. Mr. Sergei Stanishev, Prime Minister of the Republic of Bulgaria, to visit India. The invitations were accepted with pleasure. The dates for the visits will be finalized through diplomatic channels.
15. The Minister of State for External Affairs of the Republic of India

H.E. Mr. Anand Sharma thanked the Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Bulgaria H.E. Mr. Ivailo Kalfin for the warm hospitality extended to him and the accompanying delegation in Bulgaria.

16. **Signed** at Sofia on 17 June 2006 in duplicate in the English language, both texts being equally authentic.

HE. Mr. Anand Sharma

**Minister of State for External Affairs
of the Republic of India**

HE. Mr. Ivailo Kalfin

**Deputy Prime Minister and
Minister of Foreign Affairs
of the Republic of Bulgaria**

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CYPRUS

465. Briefing Points by Official Spokesperson on the meeting between Prime Minister Dr. Manmohan Singh and President of Cyprus Tassos Papadopoulos.

New Delhi, April 12, 2006.

- | The two sides reaffirmed the special relationship and commitment to reinvigorate the traditionally close bilateral relationship to a collectively new level in keeping with the shared perspectives on political and economic issues.
- | PM reiterated India's consistent support for the independence, sovereignty, unity and territorial integrity of Cyprus and welcomed the recent initiatives taken by Cyprus with the UNSG to resume the negotiations for a comprehensive, fair and mutually agreed settlement of the Cyprus Question in accordance with the relevant UN Resolutions.
- | Cyprus reaffirmed support to India's candidature for a Permanent Membership in an expanded UN Security Council.
- | As the member of the Nuclear Suppliers Group, Cyprus welcomed the India-US agreement on Civilian Nuclear Cooperation. Both sides agreed that such cooperation would welcome in addressing concerns relating to global energy security and environmental protection. In this connection, Cyprus conveyed its support to India's efforts for the promotion of full civilian nuclear energy cooperation.
- | Both sides agreed to set up a High Level Joint Committee to identify ways and means for a comprehensive upgradation of the bilateral relationship. Both sides recognized the new possibilities and needs of the growing economies of the two countries and agreed that the Joint Committee will make recommendations to the two Governments for ways to expand and diversify economic ties in areas of mutual interest.
- | Cyprus welcomed India's participation in the development of its hi-tech sector including Information Technology and knowledge based industries and invited India to set up companies in areas of core competence particularly in IT, pharmaceuticals and bio-technology.

- | To facilitate movement of Indian businessmen, professionals and scientists, the Cypriot President assured simplification of visa procedures and issuance of long term multi-entry visas within the overall policy of employment of third country nationals. The modalities for the same would be worked out by the two sides.
- | PM congratulated Cyprus on its accession to the European Union. The Cypriot President highlighted the opportunities for Indian companies, either on their own or in joint ventures with Cypriot companies for their wider operation across the EU.
- | A bilateral Agreement on combating terrorism, illicit drug trafficking and organized crimes was finalized during the visit.
- | The two sides also jointly issued postage stamps of each side in the two countries, under the existing bilateral agreement in the field of Posts and Electronic Communications.
- | The President also attended a business luncheon meeting jointly organized by Confederation of Indian Industry/Federation of Indian Chambers of Commerce and Industry/ASSOCHAM¹.

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1. Earlier on April 10 announcing the visit the Official Spokesperson told the media that "India-Cyprus relations have traditionally been excellent and time-tested. Over the years, India and Cyprus have worked effectively together in various international fora. All Presidents of Cyprus have visited India, the last being that of President Glafcos Clerides in 1997. From our side, our Prime Minister Shri A.B. Vajpayee visited Cyprus in October 2002.
Bilateral trade between India and Cyprus is far below the potential. In 2004, Indian exports to Cyprus were USD 37.4 million while Indian imports were USD 5.2 million. Cyprus' membership of the European Union and its strategic location as a gateway to three continents open up potential new areas of bilateral economic cooperation. There are significant possibilities for Indian participation in high-technology areas including IT, bio-technology, pharmaceuticals and R&D projects. India's areas of core competence could dovetail with Cyprus' plans to develop its high-tech sector and knowledge-based industries as the third pillar of its economy. Other areas of cooperation include financial services, tourism, construction and fuel-efficient automobiles.
India has consistently supported the independence, sovereignty, unity and territorial integrity of the Republic of Cyprus. India hopes that a just and lasting solution will be found to the Cyprus problem in accordance with the UNSC Resolutions and the aspirations of the people of Cyprus."

466. Speech by President Dr. A. P. J. Abdul Kalam at a Banquet in honour of the President of Cyprus Tassos Papadopoulos.

New Delhi, April 12, 2006.

Your Excellency Mr. Tassos Papadopoulos, President of the Republic of Cyprus, Madam Fotini Papadopoulou, Excellencies, Ladies and Gentlemen,

On behalf of the Government and people of India, it gives me great pleasure to extend a very warm welcome to you, Mr. President, Madam Papadopoulou and to all members of the distinguished delegation accompanying you on your State visit to India. We are confident that your visit will usher in a new era of cooperation in areas of bilateral, regional and international relations and will further strengthen the tradition of understanding and cooperation that so happily exists between our two countries.

Excellency, the relations between India and Cyprus are long-standing and time-tested. Both our countries are ancient civilizations. Modern history has brought us closer together. The foundation stone of our post-Independence friendship was laid by the architects of modern India and Cyprus like Mahatma Gandhi, Jawaharlal Nehru and Archbishop Makarios. They all shared a common vision and enjoyed personal friendship and had respect for each other. In size and demography, India and Cyprus may present a few contrasts. But, the similarities of outlook across a wide spectrum of issues, shared values of democracy, human rights and commitment to fight terrorism, unite us in a common endeavour. With this background, our two countries have worked effectively together in various international fora and we would like to thank you for supporting India's candidature in the enlarged UN Security Council.

Excellency, it is indeed heartening to know that a bust of Mahatma Gandhi was installed near your Parliament House in 1972 and the avenue on which the Parliament is located was named after Pandit Jawaharlal Nehru during the visit of our Prime Minister Mrs. Indira Gandhi in 1983. Later, the road on which the Indian High Commission stands was named after Mrs. Indira Gandhi. We have taken this sentiment a step further today when the Indo-Cypriot joint commemorative stamp was released by Your Excellency and our Prime Minister as a special gesture indicating the long tradition of warm, close and friendly ties between our two countries.

Excellency, India has always supported the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus. India respects the democratic choice exercised by the people of Cyprus in the April 2004 referendum. India hopes that a just and lasting solution will be found to the Cyprus problem in accordance with the UNSC resolutions and the aspirations of the people of Cyprus. In this context, India welcomes the Paris meeting between Your Excellency and the UN Secretary General on February 28, 2006 for the preparation of the ground for the resumption of the negotiating process under the UN auspices that will lead to a mutually agreed, functional and viable comprehensive settlement of the Cyprus question.

Excellency, Cyprus has witnessed momentous developments over the last two years. We would like to heartily congratulate you on becoming a full member State of the European Union from May, 2004. This is indeed a landmark development in the history of Cyprus.

The impressive developments in Cyprus economy have made it a true success story. As Cyprus has resolved to develop knowledge-based and hi-technology industry as the third pillar of its economy, cooperation with India holds out tremendous possibilities for collaboration in these areas which are considered to be India's core competence. Indian enterprises would be happy to participate in the development of knowledge-based industries and in high-technology park projects in Cyprus.

The Indian economy has been growing at 7 to 8 percent over the last few years and our stock markets are doing well. Our foreign trade and foreign exchange reserves have grown since 1991. But in order to bring prosperity and growth to our one billion people, we need to grow at around 10 percent or so for the next few years. Although this is a high figure, we feel optimistic that we can achieve this. We are also seeking to ensure that the benefits of development reach our rural poor. Towards this end, we have embarked on giving importance to physical connectivity, electronic connectivity and knowledge connectivity which will lead to economic connectivity in our rural areas through an initiative called PURA—that is, Providing Urban amenities in Rural Areas. This is part of an integrated programme of rural development called the Bharat- Nirman Programme.

We are also involved in projects in oil prospecting and exploitation in different parts of the world and would be happy to share our expertise in the exploration of your hydrocarbon resources.

Before concluding, I would like to convey our sincere good wishes for your personal health, happiness and welfare and that of your family and of all the people of Cyprus.

May I now request the Distinguished Guests to join me in raising a toast to the:-

- personal good health and happiness of His Excellency President Papadopoulos and Madam Fotini Papadopoulou;
- well-being and prosperity of the friendly and peace-loving people of Cyprus; and
- everlasting friendship between India and Cyprus.

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467. Joint Statement issued at the end of the visit of the Cypriot President Tassos Papadopoulos.

New Delhi, April 16, 2006.

1. The President of the Republic of Cyprus, His Excellency Mr. Tassos Papadopoulos, paid a State Visit to India from April 11-16, 2006. The President's delegation included the Minister of Foreign Affairs, Mr. George Iacovou, Minister of Commerce, Industry and Tourism Yiorgos Lillikas, and senior officials.
2. During the visit, President Papadopoulos held talks with President Dr. A.P.J. Abdul Kalam, Vice President, Shri Bhairon Singh Shekhawat, Prime Minister, Dr. Manmohan Singh. The President of Cyprus met Chairperson of UPA, Smt. Sonia Gandhi and former Prime Minister Shri Atal Behari Vajpayee. He also received Shri Anand Sharma, Minister of State for External Affairs.
3. The President of the Republic of Cyprus was accompanied by a high-level business delegation. In New Delhi, he addressed a luncheon meeting of representatives of apex Indian Chambers of Commerce & Industry – CII, FICCI and ASSOCHAM. The President delivered a lecture at the Indian Council of World Affairs on "Cyprus as a Bridge between India and the European Union".
4. Leaders of the two countries reaffirmed the traditionally close and

time-tested friendship between India and Cyprus. Both sides reviewed with satisfaction the development of bilateral relations and agreed that the long tradition of political interaction, commercial and cultural exchanges provide a valuable base to take bilateral relations forward in all spheres and underlined their commitment to further strengthening and diversifying this relationship.

5. The Republic of Cyprus' membership of the European Union and the framework of India-EU relations provided another area of meaningful interaction between the two countries.
6. India reiterated its consistent support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus. India welcomed the joint press statement issued on 28 February 2006, following the meeting in Paris between the President of the Republic of Cyprus and the UN Secretary-General. India supports efforts for the preparation of the ground for the timely full resumption of the negotiating process under the UN auspices that will lead to a comprehensive, fair and mutually agreed settlement of the Cyprus question in accordance with the relevant UN Resolutions.
7. The two sides exchanged views on developments in their respective regions and international issues of common concern. The discussions revealed mutual understanding and a similarity or identity of outlook on the on-going international efforts for strengthening institutions and traditions of democracy in the world, for a rule-based system of international trade, and for a more determined global effort to meet the daunting environmental challenges.
8. The two sides share a deep concern on the need to counter international terrorism and welcome the strong condemnation of terrorism in all its forms and manifestations, as contained in the Outcome Document of the World Summit held in September 2005. They were of the view that all member-states of the UN should make concerted efforts for an early conclusion of the comprehensive convention on international terrorism.
9. The two leaders discussed the issue of UN reform. In this context, H.E. President Papadopoulos reiterating their position that as the world's largest democracy with an active global role, India has all the credentials to be a permanent member of the UN Security Council, reaffirmed the Republic of Cyprus' support to India's

candidature for a permanent membership in an expanded Security Council.

10. Cyprus welcomed the India-US Agreement on Civilian Nuclear Cooperation. Both sides agreed that such cooperation would help in addressing concerns related to global energy security and environmental protection. Cyprus conveyed its support for India's efforts for the promotion of full civilian nuclear energy cooperation for the benefit of her economic development and prosperity of its people.
11. The two sides took stock of progress in the implementation of existing agreements and emphasized the importance of optimal utilization of existing inter-governmental and other bilateral mechanisms. While expressing satisfaction that bilateral economic cooperation has shown growth over recent years, they agreed to pay particular attention to expand and diversify their trade and economic relations. Recognizing the new possibilities and needs of the growing economies of the two countries, the two sides decided to set up a Joint Committee which will prepare, within a year, recommendations to the two governments for ways to expand and enhance mutually beneficial cooperation in all areas of common interest.
12. As Cyprus plans to develop hi-tech sector as the third pillar of its economy, Information Technology, ITES, Biotechnology, including collaboration in R&D projects, have emerged as the areas for future cooperation between the two countries. In light of India's well-established capabilities in this field, Cyprus welcomed participation by Indian companies in the development of knowledge-based industries and in the high-technology park project.
13. The two sides noted other potential areas for bilateral economic cooperation arising from Cyprus' expertise in financial services and cooperation in knowledge-based industry relating to accountancy, legal and investment banking research.
14. Both sides consider the energy sector as a high priority area and India expressed its willingness to share its expertise with Cyprus in this regard. The two sides discussed the possibilities of forging long-term joint collaboration in promoting innovative energy renewable applications and rational use of energy and the deployment of energy thematic park in Cyprus.

15. Recognizing the tremendous scope for enhancing the two-way tourism, it was agreed that both countries would focus on bilateral tourism promotion initiatives, including considering the feasibility of direct air links between the two countries.
16. The two sides emphasized the need for a comprehensive expansion of mutually beneficial contacts between business communities of the two countries and noted with satisfaction the setting up of Cyprus-India Business Association as a step in this direction.
17. Aiming at further developing bilateral trade and mutually beneficial economic cooperation, the two sides discussed measures for simplification of visa procedures for business representatives, scientists, professionals and tourists. Within this context, issuance of long-term multiple entry business visas and facilitation for scientists and professionals who find employment in Cyprus, to be considered within the overall policy of employment of third-country nationals, was announced by the Cypriot side during the visit.
18. The two sides acknowledging the positive role that the traditional cultural affinity between the two countries and peoples has played in fostering bilateral ties, decided to organize special cultural events during 2006-07.
19. A bilateral agreement on combating terrorism, illicit drug trafficking and organized crime was finalized during the visit.
20. The two sides also jointly issued postage stamps of each side in the two countries, under the existing bilateral agreement in the field of Posts and Electronic Communications.
21. The two leaders agreed that regular exchanges of high-level visits will help to sustain the momentum of bilateral relations. In this context, President Papadopoulos extended invitations to President, Mr. A.P.J. Abdul Kalam and Prime Minister, Dr. Manmohan Singh, to pay an official visit to Cyprus at a mutually convenient time, which were warmly accepted.

CZECH REPUBLIC

468. Media Briefing Points by Official Spokesperson on the visit of Czech Prime Minister Jiri Paroubek.

New Delhi, January 16, 2006.

- H.E. Prime Minister Jiri Paroubek will visit India from January 17 to 19, 2006. His delegation will include Czech Deputy Minister of Foreign Affairs, Jaroslav Basta. A high-level 15-member Czech business delegation and a media delegation will also accompany the Czech Prime Minister on this visit.
- During his visit to New Delhi, the Czech Prime Minister would hold discussions with the Prime Minister, who will host a dinner in his honour. The visiting dignitary will call on our President. He will meet Smt Sonia Gandhi, Chairperson of UPA. He will also have discussions with Raksha Mantri, Commerce & Industry Minister (in Kolkata), and MOS (Heavy Industries & Public Enterprises). He will address a business luncheon meeting co-hosted by Assocham, CII and FICCI. He will also deliver a lecture at the Indian Council for World Affairs on "The Global Implications of EU enlargement a Czech Perspective".
- H.E. Prime Minister will be the guest of Honour at the CII Partnership Summit in Kolkata on January 19. He will also make a brief halt at Hyderabad to meet the Chief Minister of Andhra Pradesh.
- The visit of Prime Minister Paroubek to India, just over two months after the State Visit of H.E. President Klaus of Czech Republic, demonstrates the strength and vibrancy of India-Czech relations.
- India-Czech relations have been excellent ever since the creation of Czechoslovakia after the First World War in 1918. Trade and cultural exchanges with Bohemia (now a part of the Czech Republic) have an even earlier tradition, reaching back into medieval history. Our political relations have remained warm and our economic & defence cooperation has continued to strengthen since the emergence of the Czech Republic in 1993 [separating from the Slovak Republic].
- In recent years, our bilateral relations have been further strengthened by convergences in our worldviews. Czech Republic was one of the

early co-sponsors of the G-4 [India, Brazil, Germany, Japan] resolution at the UN for Security Council expansion and has again supported the re-tabling at the UN of the G-4 Resolution.

- Czech Republic became a member of NATO in 1999 and of the European Union in May 2004. It has a declared commitment to multilateralism in world affairs; promotes democracy and human rights worldwide [it is a part of the Global Democracy Initiative & has contributed to the UN Democracy Fund]; and has been an active advocate of UN reform.
- Our bilateral trade has been growing steeply in recent years. As per present estimates, bilateral trade turnover in 2005 was nearly US \$ 500 million. The trade is roughly balanced. Investment flows in both directions are also picking up. Skoda Auto & Tatra Udyog are examples of recent successful Czech investments in India; an Infosys subsidiary, Progeon, has set up a BPO centre in Czech Republic.
- We expect the visit of Prime Minister Paroubek to strengthen these trends in the intensification of our bilateral political and economic relations with the Czech Republic. A joint press statement is expected to be issued at the end of the visit.

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469. Joint Press Statement issued on the visit of Czech Prime Minister Jiri Paroubek.

New Delhi, January 19, 2006.

1. The Prime Minister of the Czech Republic, H.E. Mr Jiri Paroubek, paid a working visit to India from January 17 to 19, 2006.
2. H.E. Mr Paroubek held wide-ranging discussions with President A.P.J. Abdul Kalam, Prime Minister Dr. Manmohan Singh, Defence Minister Pranab Mukherji, Commerce & Industry Minister Kamal Nath and Minister of State for Heavy Industries & Public Enterprises, Santosh Mohan Dev. He also had a meeting with Smt. Sonia Gandhi, Chairperson of UPA. In Kolkata, he met the Chief Minister of West Bengal, and in Hyderabad he held discussions with the Chief Minister of Andhra Pradesh. The Prime Minister delivered a lecture at the

Indian Council of World Affairs on “Global Implications of European Union enlargement – a Czech perspective”.

3. The Prime Minister of the Czech Republic was accompanied by a high-level business delegation. In New Delhi, he addressed a luncheon meeting of representatives of apex Indian chambers of commerce and industry – Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI) and Associated Chambers of Commerce (Assocham). In Kolkata, he was the Guest of Honour at the CII Partnership Summit, at which he addressed a Special Session on January 19.
4. In his meetings with the President, Prime Minister and other Indian government representatives, H.E. Mr Paroubek exchanged views on the excellent state of current bilateral relations. They agreed that the long tradition of political interaction, commercial and cultural exchanges, as well as defence cooperation, between the two countries provide a valuable base to strengthen the framework of cooperation in a manner responsive to current global realities.
5. The Czech Republic’s membership of the EU and the framework of India-EU relations provide another area of meaningful interaction between our two countries.
6. The two sides exchanged views on developments in their respective regions, and on the ongoing international efforts – in which both countries are deeply involved – against terrorism, for strengthening institutions and traditions of democracy in the world, for a rule-based system of international trade, and for a more determined global effort to meet the daunting environmental challenges of our time. The discussions revealed mutual understanding and a similarity or identity of outlook on all major international developments.
7. India and the Czech Republic share perspectives on the urgent need for strengthening the United Nations to more effectively address today’s challenges, and for comprehensive UN reform, including development, security and human rights. They shared the view that the Security Council must be reformed to reflect contemporary global realities. To this end, it needs to be expanded in both permanent and non-permanent categories, on the basis of equitable representation, with the inclusion of both developed and developing countries. In this context, H.E. Prime Minister Paroubek conveyed the Czech Republic’s view that, as the world’s largest democracy with an active global role, India has all the credentials for permanent membership in an expanded Security Council. The Czech Republic also reaffirmed its support for

the G-4 Framework Resolution on the reform of the UN Security Council, which has been re-tabled in the current Session of the UN General Assembly. India expressed its appreciation for the Czech Republic's support for its candidature and for the re-tabled G-4 Framework Resolution. India conveyed that it would give the most favourable consideration to the Czech Republic's candidature for membership of the Security Council in 2008-09.

8. Both sides welcomed the strong condemnation of terrorism in all its forms and manifestations, as contained in the Outcome Document of the World Summit held in September, 2005. They were of the view that all member states of the UN should make concerted efforts to conclude a Comprehensive Convention on International Terrorism (CCIT) during the current Session of the UN General Assembly, as underlined in the Outcome Document of the World Summit.
9. The two sides expressed satisfaction over the progressive expansion and diversification of the India-Czech Republic bilateral economic relationship. They agreed that even though bilateral trade has shown dynamic growth over recent years, it has not done full justice to the existing potential. The two countries agreed to strive to achieve a bilateral trade turnover of USD 1 billion by 2010.
10. The two sides welcomed the resolution of the long-pending issue of the liquidation of the rupee balances from the pre-1990 Rupee trading arrangements and from outstanding Czechoslovak credits. The Government of India will take expeditious measures to complete the required budgetary procedures to transfer Rs 872.10 million to the Ceskoslovenska Obchodni Banka (CSOB) in full settlement of the outstanding balance.
11. The two sides considered ways to expand and deepen mutually beneficial cooperation in areas of common interest and agreed that joint venture and investment possibilities also existed in the sectors of machine tools, biotechnology, Information Technology, automotive components, and transport. Prime Minister Paroubek conveyed the interest of the Czech companies in energy projects in India, particularly drawing attention to the environment-friendly power technologies which Czech companies have developed in recent years. The understanding between the Czech government and the government of the state of Andhra Pradesh on the Nizampatnam integrated development project is an illustration. The discussions between H.E. Prime Minister Paroubek and the Chief Minister of

Andhra Pradesh on the development of the Nizampatnam Port City Complex were of great importance.

12. In the context of efforts of both countries for greater energy security and to develop stable, sustainable and efficient energy sources, both sides agreed on the need to promote greater international cooperation in promoting strengthening nuclear energy as a safe, environment-friendly and sustainable source of energy, in accordance with the International Atomic Energy Agency (IAEA) Statute and other relevant agreements. While following with interest recent developments in the Indian civil nuclear initiatives with other countries, the Czech Republic stands ready to explore the possibilities of opening new trade avenues in the peaceful uses of nuclear energy, consistent with its international obligations. The Czech Republic and India agree to pursue further opportunities for the development of the purely peaceful uses of nuclear energy on the basis of the 1966 bilateral agreement in this regard.
13. The two countries expressed satisfaction at the current status of bilateral defence cooperation. They agreed that potential exists for further development of this cooperation, not only in equipment sales, but also in co-production, technology transfers, military to military exchanges and training.
14. They agreed that cooperation between the Czech Tatra company and the Indian BEML has been to mutual benefit, resulting in progressive indigenisation of the Tatra trucks assembled in India. They noted with satisfaction that the Tatra trucks remain an important component of the vehicle fleet of the Indian armed forces. A number of new contracts for supply of Tatra vehicles to the Indian Armed Forces are in advanced stages of negotiations and are expected to be concluded at an early date.
15. Recognising the tremendous scope for enhancing two-way tourism, it was agreed that both countries would focus on bilateral tourism-promotion initiatives, including the feasibility of direct air links between the two countries.
16. In the context of further development of mutual trade and economic relations, the two sides discussed possibilities of simplification of visa procedures for business representatives and tourists.
17. The potential of closer educational links was noted. To provide an institutional framework for facilitating exchanges of students and research scholars between educational institutions of the two

countries, India and the Czech Republic will hold discussions on a bilateral programme of exchanges in education.

18. The two sides also agreed to hold bilateral discussions for a framework agreement on cultural exchanges.
19. The two sides agreed that there is tremendous potential for a greater synergy between the scientific communities of the two countries, which can be exploited through closer cooperation between universities and exchanges of information and scholars between the research institutions. The two countries will explore the possibility of bilateral arrangements on cooperation in science and technology.
20. To follow up on these and other areas of promise for India – Czech cooperation, the two sides emphasized the importance of optimal utilization of existing inter-governmental and other bilateral mechanisms. For this, the following decisions were taken:
 - To sustain the process of regular political consultations on major international issues and to better coordinate respective national positions in international organizations, the two countries will hold annual Foreign Office Consultations (FOC) at the level of Secretary to Government (India) / Deputy Minister (Czech Republic). The next session of the FOC will be held in New Delhi in the first half of 2006.
 - The next meeting of the Joint Economic Committee, co-chaired by the Czech Deputy Minister of Trade & Industry and the Indian Commerce Secretary will be held in Prague in mid - 2006. During this meeting, the two sides shall discuss new bilateral legal framework for economic cooperation.
 - The Joint Business Council will be encouraged to draw up a programme of closer interaction between the business communities of the two countries.
 - A Joint Defence Committee will be established to promote progress in various areas of bilateral defence cooperation. The Committee will be co-chaired by Director General (Acquisitions), Ministry of Defence from the Indian side and Deputy Minister, Ministry of Defence from the Czech side.
21. Regular exchanges of high-level visits will also help to sustain the momentum of bilateral relations.

DENMARK

470. Briefing Points by Official Spokesperson on media reports regarding the visit of Prime Minister of Denmark to India.

New Delhi, March 18, 2006.

- The two sides have found that the proposed timing for the visit was not optimal¹.
- The Indo-Danish relationship is strong and excellent and is moving into a new phase which is focused on political dialogue and economic cooperation instead of the decade old development cooperation, which has been phased out by the end of 2005. The visit of Danish Prime Minister will highlight this evolution.
- India and Denmark will continue their endeavours to establish a new cooperation framework in areas of mutual interest like ICT, biotechnology, maritime transport, double taxation and the establishment of a joint commission.
- India and Denmark look forward to the visit of the Danish PM to India at an early date.

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1. The clarification became necessary in view of the media speculation because of the controversy surrounding the publication of some cartoons in the Danish media said to be blasphemous and wave of protest against those cartoons among the Muslim Community around the world. Earlier on February 22 Prime Minister in his speech in Parliament called for "utmost restraint" in all quarters while protesting against the publication of a caricature of Prophet Mahammed in Danish newspaper. The Prime Minister said the Government shared deep concern over its publication. He also pointed out that New Delhi had conveyed its outrage to the Danish Government both in New Delhi and in Copenhagen. He said the newspaper should tender an apology and ensure that such acts were not repeated.

FINLAND

471. Statement of Prime Minister Dr. Manmohan Singh at Joint Press Conference with Finland Prime Minister.

Helsinki, October 12, 2006.

Your Excellency, Prime Minister Vanhanen, Members of the Press, I would like to thank His Excellency Prime Minister Vanhanen for his gracious hospitality. Relations between India and Finland turned a new leaf when the Prime Minister Vanhanen visited India in March this year. It has been a pleasure and a privilege to visit Helsinki on this bilateral visit which also coincides with the Finnish Presidency of the European Union. The 7th India-EU Summit will be held tomorrow. We are delighted that this meeting will take place under Finnish Presidency. During our discussions today, Prime Minister Vanhanen and I agreed that India and Finland have vast complementarities which must be fully exploited. Finland is one of the fastest growing economies among the OECD countries. It is a world leader in areas such as telecommunications, information technology and biotechnology.

We discussed the opportunities provided by India's sustained economic growth rates of over 8% and its recognition as a safe, secure and profitable investment destination. India offers advantages of a pool of highly qualified scientific talent and a skilled workforce in the manufacturing and service sectors.

Prime Minister Vanhanen had inaugurated a Nokia plant in Chennai during his March visit. A number of other Finnish companies have also entered the Indian markets and we welcome their presence.

We are encouraged by the fact that in turn a number of Indian companies are investing in high-tech Finnish firms.

Looking at these developments, we believe that there is a huge potential for expansion of our trade and investment ties. We have agreed to work jointly to double our trade over the next two years.

We are glad that Finnair will be operating direct air services between Helsinki and New Delhi from October 30.

We also discussed the need to strengthen international initiatives in

combating terrorism. India has been a victim of terrorism. I appreciate the support and solidarity extended by Finland.

Meeting the challenges of globalisation requires the strengthening of multilateral institutions such as the UN and WTO. We value our dialogue with Finland which has a proven record of contribution to effective multilateral initiatives.

I would like to thank Prime Minister Vanhanen for the excellent quality of our discussions and for his deep personal commitment to developing close relations with India.

I will have the honour of calling on the President of Finland tomorrow. Thank you.

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FRANCE

472. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and French President Jacques Chirac.

New Delhi, February 20, 2006.

Statement of Prime Minister circulated at the Press Conference.

Your Excellency President Chirac, Ladies and gentlemen of the press,

It is a privilege to welcome President Chirac and his distinguished delegation to India.

Our relations with France, a global power and one of the anchors of our ties with the European Union, are special and privileged. President Chirac is a respected senior world statesman and a true friend of India. The vibrant strategic partnership that we enjoy today was initiated during President Chirac's visit to India in 1998 and strengthened with his guidance and leadership.

Last year, I met President Chirac twice, in Paris and Gleneagles. We are indeed extremely happy that the positive momentum in our relations has been maintained and strengthened by President Chirac's current visit to India.

Our discussions today have been very useful in taking forward our partnership. The range of Agreements signed today provide an indication of the extensive and substantive engagement between India and France. We have also issued a Joint Statement that clearly indicates the direction in which our strategic partnership will proceed.

The Declaration on Cooperation in the development of Nuclear Energy for Peaceful Purposes and the Agreement on Defence Cooperation are among the most important outcomes of the visit. We appreciate France's support for the ongoing effort to enable full civilian nuclear energy cooperation between India and the international community. President Chirac was one of the first world leaders to support such an initiative and I thank him for his strong and consistent leadership on a matter of great importance for India's energy security.

Cooperation in the space sector is another important aspect of our relations with France, which is progressing well. We also deeply appreciate

France's support to India's candidature for permanent membership of the UN Security Council.

The economic engagement between India and France is an important element of our Strategic Partnership. It is my hope that trade and investment will continue to grow. There are significant complementarities between our economies and we must make all efforts to exploit the existing untapped potential. French companies should take advantage of the immense opportunities offered by India's rapid economic growth and science and technology potential. Last September in Paris, the President and I had expressed our resolve to double bilateral trade within 5 years. We identified infrastructure, IT, pharmaceuticals, environment, advanced and new technologies, food processing, automobiles and aeronautics as priority sectors for forging business partnerships.

We also discussed ways to further strengthen our bilateral relationship. France and India share common views on a range of regional and global issues. We reiterated our commitment to work together to address global challenges. We continue to cooperate in fighting terrorism, on non-proliferation of weapons of mass destruction, in promoting sustainable development, and in the effective management of globalization.

India supports President Chirac's initiative for looking at innovative sources of financing to tackle diseases such as HIV/AIDS, TB and Malaria, which afflict millions the world over. We recognized that Indian pharmaceutical companies have emerged as global leaders in the fight against these diseases.

President Chirac's visit is another milestone in the expansion of our civilizational ties that are based on mutual trust and shared values. Once again, Mr. President, a very warm welcome to you and the distinguished members of your delegation.

PRIME MINISTER MANMOHAN SINGH: President Chirac; distinguished members of the French delegation; ladies and gentlemen:

It is an honour for me and for my colleagues in the Government of India to welcome President Chirac in our country. India and France have a very close strategic relationship. In recent years this relationship has gone from strength to strength to a large extent because of the personal interest and involvement of President Jacques Chirac in fostering closer cooperation between our two countries.

Mr. President, in you we have a world statesman of rare wisdom, knowledge and experience and it is a proud privilege of our country to count as a very dear and special friend of our country.

Today marks another landmark in the development of our relationship. We have signed nine Agreements or Memoranda of Understanding. These include such vital areas as cooperation in the field of civilian nuclear energy, defence cooperation, cooperation in the field of space, cooperation in the field of education, science and technology, and culture. In all these respects the process that we have set in motion today will ensure in years to come a far more productive, a far more durable, a far more mutually beneficial relationship between our two countries.

We have discussed developments in the global political and economic scene. We have also had a very fruitful discussion on regional and bilateral issues. I am very glad to report that there is complete convergence of views on all these important matters between our two countries.

Mr. President, your landmark visit has opened up new pathways of cooperation between our two countries and I thank you from the core of my heart for having found time to visit us.

PRESIDENT CHIRAC: Prime Minister; ladies and gentlemen:

First of all allow me to thank the Prime Minister and the Indian authorities once again for the extraordinary warm welcome extended to us since our arrival here in India. We, that is to say myself and my delegation, have been especially touched by this hospitality and this generosity. In particular I refer to the hospitality I enjoyed yesterday on the part of the Prime Minister.

We are two countries, two nations, that have indeed much in common; countries that have in common longstanding old culture; countries that are deeply attached to our national independence; countries that share the same ideals of democracy and respect to human rights; and countries that recognise the importance of abiding by the rule of international law as enshrined in the United Nations Charter.

We also uphold other values in common such as the importance of secularism, a concern for the need to help the world's poorest countries in their development effort. Let me make an aside here to underscore the importance I attach to India's endorsement and support for initiative on

innovative financing, an innovative funding front. In fact the Prime Minister has told me that India is going to be sending a ministerial representation to the forthcoming Paris Conference on this topic. So, we are countries that indeed share a lot in common, values and beliefs.

We, of course, have discussed during the course of our meeting, a number of topics with the Prime Minister. We examined, for instance, our respective points of view which I might add were extremely convergent, on the subject of India's access to civilian nuclear technology. This access, we feel on the side of France, is indeed necessary in order to drive and fuel India's economic development without at one and the same time leading to excessive pollution which would arrive from large-scale emission of greenhouse gases.

We at the same time fully understand on the French side the concerns and the constraints faced by the Indian authorities and Indian Government, be they of an economic nature or they have to do with India's national independence and security constraints and needs. Here there has been once again no divergence or difference of opinion between us.

We, as you saw, have also agreed to sign, you are witness to this fact, a defence agreement which further consolidates our cooperation in the defence arena showing thus a strengthening of solidarity both in terms of defence and in terms of procurement of equipment - military procurement.

We covered a range of economic and trade issues. I think it is very striking to note that there is a shared commitment on both sides - commitment that also has to be stepped up and increased on both sides - to increasing trade flows and economic ties between our two countries.

I would also like to take this opportunity to thank the captains of industry, members of the French business community who have come along with me on this trip and who will be attending the economic forum which the Prime Minister and I are organising this afternoon, as you know. As a result of this commitment, as a result of these agreements and of this cooperation, we have set to ourselves the lofty goal of doubling, increasing two-fold, within the next five years the trade flows between our two countries.

That is all. This whole scale strengthening of our ties be they of a political or economic nature, the ties that link India to France and France to India, I think are being borne out as evident by all these agreements and by the series of understandings that have characterised our thought.

I wish lastly, once again to avail myself of the opportunity of thanking the Prime Minister, the Indian authorities for their warm welcome, for the hospitality, and indeed for the Indian President for the magnificent ceremony that was laid out for us this morning.

QUESTION (FRENCH MEDIA): President, Sir, Mr. Mittal has been stepping up the number of interviews that he has been giving and statements that he has been making in which he had deplored what he called the hostile welcome that he has received or the hostile reactions that he has come up against in France. He says that he has been misinterpreted, misunderstood, and he has even referred to possible xenophobia in respect of this attitude. Would you, if you have the opportunity to meet him, wish to clear up any misunderstanding arising as a result of this?

PRESIDENT CHIRAC: I would really have difficulty in understanding this controversy. Just look at it as it stands right now. Clearly it involves two parties, two sides. On the one hand we have a British citizen, Indian born British national, who is taking an initiative vis-à-vis a Dutch company and a Luxembourg company. Therefore, as things stand right now, as we see things unfold, all we know is that a hostile bid has been made by the person in question which is of a purely financial nature. There has been no presentation of any kind of industrial plan, industrial development plan. There has been no prior consultation, which is in fact contrary to usual practice in such matters.

That being said, it is his right to be so and to act in this manner as it is equally the right of Europeans to care about their job, their future and the technologies involved, of what the future holds in store for them. We know, as I have already said, nothing more than what I have said that this is a financial offer, this is a hostile bid. We do not know anything about the content of what is intended. Therefore, we will wait and see. We are not prejudging anything. But this is the gist of what the Europeans have been saying to their shareholders, the European companies have been saying to their shareholders.

Now, we have nothing against in principle, absolutely nothing against, a non-European bidding on a European company or enterprise. Far from it. All I am saying is that we are waiting to see what the bid, what the offer, actually involves before we pass judgement on it or before we have anything to say on the subject. Therefore, I think that the concerns that have been expressed are entirely legitimate and I repeat what I said at the outset. I do

not understand what all the fuss is about. I do not understand what the controversy is about.

QUESTION (PARUL MALHOTRA, CNN-IBN): This is a question for both the Prime Minister and President Chirac, on the same issue. President Chirac, Sir, you have just clarified some of your position on that. Could you confirm if the bid is assessed as unhealthy for the company in question Arcelor, would your Government take any direct or indirect action to block that? Prime Minister, Sir, did you raise this issue in your talks with the President? Do you believe that racism or protectionism has had any role to play in this matter?

PRESIDENT CHIRAC: Madam, if that is what you have understood, I would say that you have misunderstood. I repeat what I said earlier on. We do not act nor have we any intention of acting, against a company or procedure. The situation as it stands right now is that quite simply a hostile bid has been made contrary to practice, with no prior explanation, no reasons given, on a large company, European company. As I said, we were given no reasons for this bid, we have no notion of what intention lies ahead for the company in question. There is no plan that has been presented. Presently we are standing by and waiting for such explanations to be given. As a result when they come, and if they come, we will act in accordance with a set number of principles and values and in particular the independence and respecting and upholding the independence of the private sector.

PRIME MINISTER MANMOHAN SINGH: Question was asked, 'Did I raise this issue with the President?' Yes, this matter did come up during our discussion. The President explained the positions in detail. It is my hope that a fair decision, taking into account the interests of all the stakeholders, will be taken in this matter.

QUESTION (FRENCH MEDIA): This is a two-fold question to the President and the Prime Minister. Mr. President, France has been very active in striving to achieve for India access to civilian nuclear technology, access to a status whereby it could access civilian nuclear technology. If the outcome to all of this is successful, and if indeed the international community goes along with it, what makes you believe that French companies would get, would win the contracts and the bids that would necessarily flow from such a decision. Could it not be American companies or other companies rather than France or French companies? Prime Minister, Sir, would you be prepared, were all of this to go through,

to place the installations and facilities in question, the programmes and the development of these programmes, under strict IAEA safeguards as indeed is mentioned in the agreement that has just been signed?

PRESIDENT CHIRAC: I said earlier on exactly what France's position was on this matter. France is supportive of India. It is supportive of India as a function of two principles, the first being a moral issue, a moral principle. India must be allowed to achieve its necessary economic development without facing a stranglehold of economic constraints and energy constraints. The second is an environmental principle - principle of safeguarding the environment. In other words India, which is a responsible country, a responsible nation, should be able to produce the energy that it needs for its own development without, at one and the same time this having a negative fallout or impact on the world as a whole as a result of greenhouse gas emission.

We equally understand India's position in this connection. We are supportive of India in this position. We know that India has a number of constraints, a number of objectives. Some of these objectives are also economic ones. But what France ... or France's support for India is a matter of principle. Of course, there will be, there is, somewhere along the line, the issue of Franco-Indian economic cooperation, on this particular front and I hope that there will be cooperation, enhanced cooperation between our two countries. But I repeat that has nothing to do with it because our support to India is principled support. It has nothing to do with economic cooperation, ties or development.

PRIME MINISTER MANMOHAN SINGH: We are very grateful to President Chirac and the Government of France for the principled position they have taken in promoting cooperation between India and the members of the Nuclear Suppliers Group relating to facilities, material covered by the nuclear field. As far as India is concerned, we are committed to honouring in letter and spirit the statement that I and President Bush jointly signed on 18th of July.

A question was asked about any international facilities that may become available to India through processes of enhanced international cooperation. I confirm that all facilities procured by India through international cooperation for civilian nuclear energy will, of course, be subject to safeguards. I am talking of any facility that may become available to India in the future through international cooperation, they will be of course subject to safeguards under the International Atomic Energy Agency.

QUESTION (RAJEEV SHARMA, *THE TRIBUNE*): My question is to President Chirac. France entered into strategic partnership with India in 1998. How has this strategic partnership evolved over the past eight years? Do you believe that the civilian nuclear energy cooperation agreement can act as perfect icing on the cake of this strategic partnership? What are the difficulties in its implementation?

PRESIDENT CHIRAC: France indeed, as you rightly said, entered in 1998 into a strategic cooperation agreement with India. This cooperation agreement was based on a number of principles which I listed earlier on and on a number of common interests. Since that day, since 1998, our relations have been constantly strengthening. They are longstanding, they are permanent and they are very close in a wide variety of different fields. At the international level you know that we have always been extremely supportive of India's bid to a permanent seat on the United Nations Security Council and we will continue to be so. You know that we are supportive of India's bid to be able to develop its own nuclear electricity-generating programme. We have strong political comfort on a number of important political issues. We share many views in common as far as world affairs are concerned. In fact on most issues on the world scene we have convergent views. Our economic ties as you have heard have also been constantly tightening over the past eight years and I hope that they will continue to do so in the years to come. So, this is the short answer to your question. Yes, I do believe that these relationships, this agreement has been seen to strengthen. These relations are becoming ever tighter, ever closer between India and France, something that the Prime Minister further confirmed to me today. We hope that this would continue in the future, which I cannot but applaud on my side.

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473. Joint Statement issued on the occasion of the visit of French President Jacques Chirac.

New Delhi, February 20, 2006.

President Jacques Chirac's visit to India today, closely following the visit of Prime Minister Manmohan Singh to France in September 2005 is a strong reflection of the commitment by both countries to take forward their Strategic Partnership by further strengthening bilateral cooperation in a wide range of fields including political, economic, defence, space, civil nuclear energy education and research.

Both sides have agreed to intensify the exchange of high level bilateral visits and consultations in the various areas of their interaction in order to further reinforce their comprehensive strategic partnership.

As India embarks on a period of rapid economic development, trade and investment relations with France are becoming more diverse. The two governments will make all efforts to increase the volume of investment and joint ventures in each other's countries and realize the great potential for enhanced business partnerships in the priority sectors identified by them in the Joint Statement of 12 September 2005. They will also work towards the continued robust growth of bilateral trade so as to reach the target of doubling bilateral trade within 5 years. Small and medium enterprises have an important role to play in this regard and the two governments have decided to take specific actions to enhance cooperation between enterprises, with a particular focus on SMEs.

The two governments would initiate a dialogue on the possible areas of cooperation in the field of Intellectual Property Rights.

Both sides recalled the Joint Statement of 12 September 2005 in which they had agreed to work towards conclusion of a bilateral civilian nuclear cooperation agreement. They emphasised that the Joint Declaration on Cooperation on Civil Nuclear Energy, issued today, is an important step forward in the realisation of that objective and in taking forward the longstanding Indo-France cooperation in the civil nuclear energy sector. They agreed to continue to work together towards the fulfillment of that objective.

The two leaders expressed satisfaction at India joining as a full partner, the International Thermonuclear Experimental Reactor (ITER) nuclear fusion project.

France and India have also signed an Agreement on Defence cooperation. This is an important element of the Strategic Partnership between the two nations, building upon and expanding co-operation in the defence and military fields, defence industry, production, procurement, research and development of defence material, joint exercises, professional exchanges and training.

Indo-French cooperation in the Space sector has a long and successful history between two of the most advanced countries in this field. The recent successful launch of the INSAT 4A satellite by Ariane 5G from Kourou, French Guyana, is a testimony to the existing close cooperation. Work is also progressing well on the Megha Tropiques Joint Satellite Mission.

Both sides re-iterated the importance of the Strategic Partnership between India and the European Union and agreed to work together in further enhancing ties through the mechanism of the Joint India-EU Action Plan.

The President of France reiterated his country's firm support for India's candidature for permanent membership of the Security Council. India and France share common views on major international issues and call for the reform of the United Nations system to make it more representative and effective in meeting both traditional and non-traditional global challenges.

The Prime Minister of India welcomed the initiative of the President of France to broaden international consensus on innovative financing for development. India also welcomed France's decision to implement an air ticket solidarity contribution to support developing countries in their combat against HIV/AIDS, tuberculosis and malaria, including by the establishment of an international drug purchase facility in which their pharmaceutical industries could participate. India would study the modalities of such a levy and also participate in the Leading Group on Development Solidarity Levies to be established at the forthcoming Paris conference.

India and France strongly condemn terrorism in all its forms and manifestations, constituting, as it does, one of the most serious threats to international peace and security. There is a growing need to co-ordinate and intensify bilateral, regional and global co-operation to combat terrorism in a sustained and comprehensive manner. Linkages with illicit trafficking in drugs, small arms and narcotics and weapons of mass destruction (WMD) have enhanced the destructive potential and lethal reach of terrorism. The Prime Minister of India and the President of France reaffirmed their

commitment to work together in fighting terrorism and to make concerted efforts towards early conclusion of the Comprehensive Convention on International Terrorism.

Both sides also reiterated their commitment to intensify co-operation in the fields of science and technology, educational, academic and cultural exchanges, tourism and other areas of mutual interest, where there is significant potential yet to be tapped. The Agreements and MOUs signed today reflect the wide range of bilateral interaction between India and France and will provide significant impetus to realizing the full potential of the comprehensive strategic partnership between the two countries¹.

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1. The following are the details of the agreements signed:
 - a. Agreement between the Government of India and the Government of French Republic on DEFENCE Cooperation
 Indian Signatory : Raksha Mantri Shri Pranab Mukherjee
 French Signatory: Defence Minister Mme Michèle Alliot-Marie
 - b. STATEMENT OF INTENT on Cooperation between Ministry of Commerce & Industry, Government of India & Ministry of Economy, Finance & Industry of the French Republic on Cooperation between Enterprises
 Indian Signatory : Commerce & Industries Minister Shri Kamal Nath
 French Signatory: Minister Delegate Foreign Trade Christine Lagarde
 - c. MoU on TOURISM Cooperation between Ministry of Tourism, India and Ministry of Tourism, France
 Indian Signatory : Minister of Tourism Smt. Ambika Soni
 French Signatory: Minister of Foreign Affairs Mr. Philippe Douste Blazy
 - d. Declaration by India and France on the Development of NUCLEAR ENERGY for Peaceful Purposes
 Indian Signatory : Chairman Atomic Energy Commission Dr. Anil Kakodkar
 French Signatory: Minister of Foreign Affairs Mr. Philippe Douste Blazy
 - e. MoU between BEE (Bureau of Energy Efficiency) and ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie)
 Indian Signatory : DG, BEE V.S. Verma
 French Signatory: CEO, ADEME Michel Pappalardo
 - f. Agreement between Indian Council for Cultural Relations (ICCR) and Sciences Po, Paris
 Indian Signatory : DG ICCR Pavan K. Varma
 French Signatory: Dy. Dir. Sciences Po. M. Verillaud
 - g. Agreement between ANTRIX Corporation and EADS ASTRIUM relating to W2M satellite
 Indian Signatory : Exec. Dir., ANTRIX K.R.Sridhara Murthi
 French Signatory: CEO EADS Astrium Mr. Antoine Bouvier
 - h. MoU between Indian Institute of Management, Ahmedabad and ESSEC Business School Paris (École Supérieure des Sciences Économiques et Commerciales)
 Indian Signatory : Director, IIMA Prof. Bakul Dholakia
 French Signatory: Dean & President ESSEC Prof. Pierre Tapie
 - i. Airbus purchase contract Indian Airlines – Airbus
 Indian Signatory : CMD Indian Airlines Dr. Vishwapati Trivedi
 French Signatory: Vice President (Marketing & Contract) Kiran Rao

474. Declaration by India and France on the Development of Nuclear Energy for Peaceful Purposes.

New Delhi, February 20, 2006.

India and France, recalling their deep ties of friendship and cooperation and the importance of the Strategic Dialogue established between them in January 1998, recognize that nuclear energy provides a safe, environmental friendly and sustainable source of energy. They underline the need to further develop international cooperation in promoting the use of nuclear energy for peaceful purposes. They believe that nuclear energy will provide an indispensable source of energy to future generations.

India and France consider that proliferation of nuclear, chemical and biological weapons, as well as their means of delivery, constitutes a threat to international peace and security. They share common concerns and objectives in the field of non-proliferation of weapons of mass destruction and their means of delivery including in view of possible linkages with terrorism.

India and France recall their past exchanges on civilian nuclear energy. They stress with satisfaction the development, since the creation of the Strategic Dialogue, of a fruitful bilateral dialogue on civil nuclear cooperation and on nuclear safety and, in accordance with their respective international obligations and commitments, the joint projects that are taking place as a result of this dialogue.

They recall that the joint statement issued by the President of the Republic of France and the Prime Minister of the Republic of India on 12 September 2005 stated that India and France would work towards the conclusion of a bilateral nuclear cooperation agreement. India and France affirm their willingness to further develop their cooperation in the use of nuclear energy exclusively for peaceful purposes under that agreement including in nuclear power generation, with a view to achieving sustainable development.

India and France recall the framework of the bilateral working group on Energy established in January 1998, of the France-India Joint Committee for Atomic Energy created by the 16 September 2002 MoU signed between AEC (Atomic Energy Commission), India, and CEA (Commissariat à l'Énergie Atomique), France, and of the dialogue between their Nuclear Safety Authorities launched by the 29 July 1999 Arrangement, renewed

by the 24 October 2005 Arrangement between AERB (Atomic Energy Regulatory Board), India, and DGSNR (Direction Generale de la Surete Nucleaire et de la Radioprotection), France. They express their willingness to expand and strengthen their bilateral dialogue on peaceful uses of nuclear energy.

In accordance with the principles governing their respective nuclear policies, India and France confirm that they are engaging in discussions to conclude a bilateral cooperation agreement on the development of nuclear energy for peaceful purposes, subject to their respective international commitments and obligations. India and France look forward to adjustment of international civil nuclear cooperation framework with respect to India and confirm their intention to work to that end so that the agreement can be implemented fully.

In this respect, India and France share the same understanding of the following:

- 1) Cooperation under the future agreement may cover the following areas: basic and applied research not requiring the supply of uranium enriched to twenty (20) per cent or greater in the isotope U235; development and use of nuclear energy applications in the fields of agronomy, biology, earth sciences and medicine, and in industry; application of nuclear energy to power generation, including setting up of power projects; nuclear fuel management; nuclear waste management; nuclear safety, radioprotection and environmental protection; prevention of, and response to, emergency situations resulting from radioactive or nuclear accidents; public awareness and acceptance of the benefits of the use of nuclear energy exclusively for peaceful purposes; and in any other field as jointly agreed by the Parties to that agreement.
- 2) Cooperation under the future agreement may take the following forms: exchange and training of scientific and technical staff; exchange of scientific and technical information; participation by scientific and technical staff of one Party in research and development activities conducted by the other Party; joint conduct of research and engineering activities, including joint research and experimentation (that is to say for which the two Parties are providing equivalent resources); organization of scientific and technical conferences and symposiums; provision of material, nuclear material, equipment, technology, facilities and services; consultations and

cooperation in relevant international fora; and any other form of cooperation jointly agreed by the Parties to that agreement.

- 3) Agreements already signed between the concerned institutions of both countries such as DAE (Department of Atomic Energy) and CEA; BARC (Bhabha Atomic Research Centre) and IRSN (Institut de Radioprotection et de Surete Nucleaire); AERB and DGSNR in the field of atomic energy will become a part of this framework agreement and will continue to be implemented as at present.
- 4) India and France will ensure that cooperation pursuant to the future agreement shall be exclusively for peaceful purposes and covered where applicable by appropriate safeguards agreements with the IAEA. The cooperation agreement, and as appropriate, subsequent specific agreements, will also address issues relating to inter alia confidentiality of information, third party nuclear liability, intellectual property, measures relating to physical protection and retransfers to third States.

Done at New Delhi on this twentieth day of February 2006 in English and French languages.

For the Republic of India

Dr. Anil Kakodkar
Chariman, Atomic Energy Commission

For the French Republic

Philippe Douste Blazy
Minister of Foreign Affairs

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475. Press Release issued by the Ministry of Commerce on the 14th session of the Indo-French Joint Committee.

New Delhi, May 31, 2006.

Welcoming recent trends in bilateral trade and investment, India and France have agreed to make concerted efforts to further expand bilateral trade and investment. Both sides have agreed to facilitate the movement of business persons, professionals, student, interns and tourists, as this would help in the expansion of business linkages between India and France. France has indicated that its future legislation on immigration present under examination by the French Parliament will open new avenues for foreign

qualified professionals and students to access the French market on a temporary basis. The French authorities are also ready to solve the problems faced by Indian companies on a case by case basis. This is indicated in the joint statement of the 14th Session of the French-Indian Joint Committee which was signed in Paris today by Shri Kamal Nath, Union Minister of Commerce & Industry, on behalf of the Government of India and Ms. Christine Lagarde, the French Minister of Foreign Trade on behalf of the Government of France. The one-day Joint Committee Meeting (JCM) was co-chaired by Shri Kamal Nath and Ms. Lagard.

Both sides recalled that the visit of the Indian Prime Minister Dr. Manmohan Singh to France, in September 2005 and the visit of President Jacques Chirac to India in February 2006 were strong illustrations of the common commitment to further strengthen bilateral economic and commercial ties. The two governments have also targeted to double bilateral trade within 5 years.

Two-way trade between India and France was around US \$ 3 billion in 2004-05, indicating a growth of 26%.

Both sides reviewed market access issues faced by their exporters with the Indian side urging agreement between the French Agricultural Ministry and the Indian Export Inspection Council (EIC) in order to facilitate export of Indian agricultural food and fisheries products to France. India has also pressed for acceptance of the EIC certification, especially for products where specifications have not been harmonised within the European Union (EU).

The French side appraised India about its action plan to promote trade and investment by French small & medium enterprises (SMEs) in India and also indicated that French companies in the financial services and retail sector were eager to invest in India.

The Indian side also urged the support of France for the recognition of Indian whisky by the European Commission.

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476. Press Release of the Ministry of Defence on the visit of Defence Minister Pranab Mukherjee to France.

New Delhi, September 4, 2006.

The Defence Minister Shri Pranab Mukherjee has said that his 3-day visit to Paris will “deepen India’s relationship with France”. Taking to newsmen in Paris shortly after his arrival yesterday, Shri Mukherjee described France as a ‘strategic partner’ and said “all along Paris has taken an independent position” on the supply of armaments and weapons platform to India. He said our relationship with Paris is robust as far as defence cooperation is concerned.

Talking about cooperation with France in the civilian nuclear energy sector, Shri Mukherjee said ‘ France has assured us of help in the development of nuclear energy for civilian use and we want to take this forward’. Referring to the Indo-US agreement on civilian nuclear energy which is currently pending with the US Congress, Shri Mukherjee said “if the United States removes the embargo and lifts the ban on India, other follow up action can take place.” He said that the process has begun with the US and we await its final clearance.

Asked about request for proposals on 126 Multi-role Combat aircraft, the Minister said it would be floated shortly and India’s response will be guided by the recently announced Defence Procurement Procedure for capital acquisition. He said India’s relations with Iran is not dependent on Tehran’s relations with other countries. The Defence Minister will begin formal part of his visit today by holding one-to-one discussion with the French Defence Minister followed by delegation level talks.

The Minister who will go to Germany on the second leg of his tour tomorrow said India wanted to forge similar strategic tie-ups with Germany. The first ever Indo-German defence cooperation agreement to be signed during his stay in Berlin, is aimed at getting out of the buyer-seller relationship and upgrade it to deeper cooperation through co-production, joint production of weapons system and technology transfer. The Minister’s delegation comprises Chief of Integrated Defence Staff, Lt Gen H.S. Lidder, Air Officer Commanding in Chief, Eastern Air Command, Air Marshal F.H. Major, Director General of Acquisition in MoD, Shri S. Banerjee and Joint Secretary, Shri Gautam Chatterjee.

GERMANY

477. Media Briefing by Secretary (East), Ministry of External Affairs Rajiv Sikri and Secretary (West) Ministry of External Affairs Ms. Shashi U. Tripathi, on Prime Minister's visit to Germany and Uzbekistan.

New Delhi, April 20, 2006.

OFFICIAL SPOKESPERSON: Good evening everybody. Welcome to this briefing on the forthcoming visit of the Prime Minister to Germany and Uzbekistan. We have with us Secretary (West) in the Ministry of External Affairs, Ms. Shashi U. Tripathi, who would brief you on the German leg so to speak. She is also accompanied by Mrs. Sujatha Singh, Joint Secretary in charge of West Europe and we will follow up on the Uzbekistan leg. May I first request Ms. Tripathi.

SECRETARY (WEST) (MS. SHASHI U. TRIPATHI): Good evening all of you. I believe most of you are going to be on this flight, is that right? Welcome aboard then.

The Prime Minister, as you know, is paying an official visit to Germany from the 23rd to the 25th of April. He will inaugurate the Hannover Trade Fair. He is the Chief Guest. As you know, India is the partner country. He would be inaugurating the Trade Fair along with Chancellor Merkel. It would also provide an opportunity for a political dialogue in the context of the periodic summits which had been set up in 2001 when former Chancellor Schroeder had visited India.

This visit by our Prime Minister assumes significance as this visit is going to be the first by a Head of Government from Asia to Germany since Mrs. Merkel took over as Chancellor. It also shows the commitment on the part of the two countries, the deep commitment and interest on the part of both countries and both sides to continue with the momentum of the interaction and the political consultations which have been going on to date.

As you know, Germany is an important partner of India. We have a strategic partnership with Germany; our relationship was upgraded to a strategic relationship in 2001. Germany is also our partner in G-4 grouping where we have been able to bring the question of UN reforms from the backburner to the forefront of global issues. Apart from that, trade and

investment and commercial relations, have proved to be a major strength in our relationship with Germany. Germany is synonymous with industry and efficiency, and India of course has a growing profile as a global player on the economic scene. Therefore, the time is just right for a synergy between these two economic giants, as it were, for interaction in a wide variety of things. That is why this trade fair and the political dialogue assumes significance.

As far as the Trade Fair is concerned, this is the second time that India has been invited to the Hannover Trade Fair. The first time was in 1984. So, 22 years later we find India once again being invited, this time with a much larger profile than it had in 1984. Our participation is going to be a major participation. I believe more than 300 Indian companies are going to participate in the trade fair. We participate every year, as you know, but this year the participation will be on a much larger scale. This will help to showcase our strengths in different fields of economic endeavour and will help to energise our interaction in commercial and economic spheres.

Once again on the trade and investment front the good news is that in October 2004 when former Chancellor Schroeder paid us a visit, at that time our overall trade turnover was 5 billion Euros. At that time a decision was taken that we should fix a target for doubling this figure by the year 2010. The good news is that this target is going to be reached much earlier than the deadline we had fixed. In fact, it will be reached by 2008 because already the trade turnover is showing a figure of 7.6 billion Euros.

Apart from inaugurating the Trade Fair, the PM will also inaugurate the India Pavilion with Chancellor Merkel and they will both go around the India Pavilion. On the sidelines of the Fair, a number of events will take place. One will be a World Energy Dialogue. India is participating in this. In fact, we are setting up an Indo-German Energy Forum which will be led on our side by Secretary Power, Ministry of Power,. The objective of this is to cooperate in the fields of energy security, energy efficiency, clean coal technology and renewable energy.

We are also planning to sign three MoUs at the end of the visit. One will be between the Indian Railways and the Deutsche Bahn which is the German Railways. The second is between the Indian Council for Medical Research (ICMR) and its counterpart organization which is called the Helmholtz Association. It is an association of their national research centers. The main objective is to carry out research in infectious diseases. The

third is between the Bureau of Indian Standards and the counterpart organization on the German side which goes by the acronym DIN or Deutsche Institute for Normung.

This, ladies and gentlemen, is the year of India in Germany frankly because in April India is the partner country in Hannover Trade Fair. Then, India is again the partner country in the Bonn Biennale which is going to be held in May at which there will be theatre, music and art representations from India. India is the Guest of Honour country at the Frankfurt Book Fair which is going to be held in October. Once again it will be the focus country most probably at the Travel Mart which is to be held in Dusseldorf. So, India is not just the flavour of the season, it is going to be in effect the flavour of the year and the Prime Minister is going to launch that flavour with a real bang. This is what we are looking at from this visit.

As far as the programme is concerned, PM apart from inaugurating the Trade Fair as I said and the Indian Pavilion will have meetings with the corporate world. In fact he will have meetings with representatives of German society across the board. He will be meeting representatives of the German corporate sector. He will be meeting academicians. He will be meeting the parliamentarians, members of the Indo-German Parliamentary Group. And he will be meeting with the Indian community. Then he will also inaugurate along with Chancellor Merkel the Indo-German Business Summit which is being coordinated by the CII which will be on the 24th.

So, this is as far as the programme goes. This is all I have to say for the moment. The detailed programme will be given to those of you who are coming on this trip. It will be given to you on the flight. Thank you very much.

OFFICIAL SPOKESPERSON: Any questions on this part of the visit?

QUESTION: The Germans have expressed some reservations about the Indo-US civil nuclear deal and if India can be given the kind of technologies it wants access to. In fact, I think there was this interview by the German Ambassador in which he talked about the whole Iran question and India's stand on the Iran issue. So, will all this come up in PM's talks with the Chancellor?

SECRETARY (WEST): You know the German Government or even their political parties have not issued any public statement...

QUESTION: The Foreign Ministry has said something...

SECRETARY (WEST): No, this was an informal statement and in fact they were encouraging remarks. Those remarks that were made were encouraging. In fact, even the interview in *The Hindu* of Ambassador Mützelburg, which you referred to, has encouraging remarks. He says Germany has certain concerns. We know they do. As between friends, we will certainly discuss those. Our position is very well known on these issues and we will once again clarify to them our position.

QUESTION: Some think that the G-4 initiative has lost steam. Do you think it can be revitalized and imparted momentum?

SECRETARY (WEST): We certainly hope so.

QUESTION: Is the Iran nuclear issue going to be discussed when the Prime Minister meets the Chancellor?

SECRETARY (WEST): As I said, between friends, especially friends whose relationship is of the order of a strategic relationship, then all these questions will necessarily be discussed.

OFFICIAL SPOKESPERSON: We are moving further East. We have Secretary (East) here to help us understand the visit to Uzbekistan. I will first request Mr. Sikri to address the press and then the questions.

SECRETARY (EAST) (SHRI RAJIV SIKRI): Well, East is East and West is West but the two do meet at a press conference.

Good afternoon ladies and gentlemen. As Navtej would have already mentioned to you, the Prime Minister after his visit to Germany will be going to Uzbekistan. Uzbekistan is an old friend of India and I need not emphasise the close historical, cultural, people-to-people links that we have traditionally enjoyed with Uzbekistan. Of course, through history we have had lot of interaction. Even in Soviet times there was lot of interaction with this Republic. Many Prime Ministers and Presidents visited Uzbekistan. I recall President Venkataraman, Prime Minister V.P. Singh, of course Shastriji was there and Panditji also in 50s and 60s.

I think it is worth noting that we had a Consulate in Uzbekistan as far back as April 1987. It was the first Consulate that was opened in Tashkent. It reflects how close we do feel to Uzbekistan, how real our interests are in Uzbekistan in particular and Central Asia in general. Then, in 1991 when the Soviet Union broke up and Uzbekistan became an independent country, we were one of the first to establish an Embassy there. It was set up in

early 1992. Prime Minister Narasimha Rao visited Uzbekistan in 1992. The President of Uzbekistan has paid many visits to India - in 1994, in 2000 and in 2005. However, from the Indian side this would be the second visit after Uzbekistan became an independent country. The Uzbeks are really looking forward to Prime Minister Dr. Manmohan Singh's forthcoming visit.

Uzbekistan is the largest country in Central Asia. It is a key country there. Its size, demography, location, resources, all combine to make it play a pivotal role in the region. We think that Prime Minister Dr. Manmohan Singh's forthcoming visit will be a very important step in consolidating our friendship and cooperation and taking it forward. We have a reasonable trade and economic relationship. I find that in 2004 for example we had a trade turnover of about 150 million dollars. Apart from things like pharmaceuticals, tea, consumer goods, from India to Uzbekistan, Uzbekistan is selling us some raw materials, cotton, silk, wool, nonferrous metals. There is an aircraft production factory there, TAPC, which supplies IL-76s. So, this is an important area of cooperation and trade.

We have a joint inter-governmental commission which has been meeting regularly. It has met six times. The last session was just a month ago in New Delhi. We have cooperation in the science and technology field, an agreement going back to 1993 and there are regular work plans that take place. We have undertaken some projects there including most recently a few years ago one for the computerization of Uzbek post offices. In 2004 an MoU was signed on establishing an Indo-Uzbek IT Center in Tashkent which will incidentally be inaugurated by the Prime Minister during his visit to Tashkent. This is an Indo-Uzbek IT Center named after Pandit Jawaharlal Nehru.

ITEC is another important area where Uzbekistan is one of the largest beneficiaries with about 100 or so candidates coming every year. We have given lines of credits for various projects.

I should have a special word about our cultural relations because these are extremely important. Those of you who may have been to Tashkent or any other place in Uzbekistan would know from first hand experience how popular Indian culture, both popular and classical is. We have an Indian Cultural Center that has been functioning there since 1994. Indian films are very popular. We have cultural troupes there and exhibitions, film festivals. A couple of years ago we had a festival of Indian culture that

was organized in Tashkent. We also give scholarships under the cultural scholarships scheme, the cultural exchange programme and so forth.

Uzbekistan is a very rich country. It has got resources – cotton, gold, oil, gas, other minerals. It is our endeavour to see if we can have more cooperation with Uzbekistan in these sectors to mutual benefit. We expect that during the visit there would be some forward movement and there could be some agreements signed in the field of oil and gas, in the field of geology and mineral resources, agricultural research and education, some agreements for promoting development of entrepreneurs, perhaps some agreements that would leverage India's strengths in IT and satellite connectivity to telemedicine and tele-education. I think on the margins there will also be some agreements between STC and their counterpart to look at something in the textiles field. In the field of oil and gas between GAIL and Ministry of Petroleum and Natural Gas; in the education sector some arrangements between the Delhi University and the Tashkent State Oriental University. So, a number of concrete things are being planned for the visit.

Turning away from the economic and cultural, I would like to briefly talk about our cooperation in countering terrorism. We have a Joint Working Group in this field. We had the second meeting last year in Delhi. We have common concerns about drug trafficking. We would like to cooperate more in countering fundamentalism.

On Afghanistan there is some shared interest because we are looking at transit to Central Asia via Iran and Afghanistan. You are aware of the Zaranj-Delaram Road which is being built in Afghanistan. This could ultimately provide an avenue, or route to Uzbekistan which is the most important market in Central Asia.

Uzbekistan is also well connected to India. We hope that the regular air connections between India and Uzbekistan will provide the basis on which we can increase tourist flows between India and Uzbekistan. I believe there is great scope there and we could be doing much more in this regard.

Prime Minister's visit to Uzbekistan is a brief visit. He gets there on the evening of the 25th and has the whole day of the 26th before he flies back to India. His programme there would include the ceremonials, wreath laying and guard of honour and of course the talks with President Karimov. There will be an opportunity for a joint press interaction there, I believe. In addition he will be paying his respects at Shastriji's monument. As I said, he would inaugurate the Nehru Indo-Uzbek Center for Information

Technology. He will be also meeting with the small Indian community and the Indologists who are in Uzbekistan. Immediately after that, after the banquet which President Karimov will be hosting for him he returns to Delhi. Thank you.

QUESTION: Could you throw some more light on the types of agreements likely to be signed in oil and gas sector?

SECRETARY (EAST): These are things that are being discussed between the Ministry of Petroleum and Natural Gas, GAIL. Uzbekistan is not the largest of producers of oil and gas. But it does have significant quantities of gas in particular. Lot of it may be unexplored. There are other countries like Russia and China which are trying to do some exploration work in this regard. If there could be mutual agreement and mutual benefit, then I think that our ONGC Videsh or GAIL would have some opportunities for exploration. There could be some interest that they may have an expertise that GAIL has on CNG and urban ...So, it is an overall kind of thing.

QUESTION: What about the lack of democracy, not just in Uzbekistan but in the rest of Central Asia? How does it affect the relationship?

SECRETARY (EAST): We have excellent relations with Uzbekistan and all the other countries. I do not think that what you are mentioning is any factor in this relationship.

QUESTION: How do we reconcile on the one hand advocacy of democracy and on the other relationship with a dictatorship?

SECRETARY (EAST): I think we deal with the world as it is. We deal with many countries, including our neighbours, which may not be democracies. We try and develop mutually beneficial relationships with all countries.

QUESTION: Is there any possibility of a gas pipeline being worked out between India and Uzbekistan?

SECRETARY (EAST): As you know, we are looking at various possibilities of gas pipelines from the West of India to India. There are discussions on the Iran-Pakistan-India pipeline. Recently India participated as an observer in the Turkmenistan-Afghanistan-Pakistan pipeline which could as well be extended to India. If any of these pipelines does materialize, it is not ruled (out) that Uzbek gas could be added to the supplies that may come through these pipelines.

QUESTION: What are the steps needed for developing tourism?

SECRETARY (EAST): I think a lot would depend on the kind of incentives and tour packages that the Uzbek side may wish to put together. I believe this is something that the tour operators on both sides need to work out. Naturally easy availability of visas and other things will be an important factor that would go towards determining the level of tourist traffic that there may be between India and Uzbekistan. There are lots of people who are traveling abroad from India and there is no reason why Central Asia should not be a popular destination if it is competitive with comparable destinations elsewhere. Thank you.

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478. Press Interview of Prime Minister Dr. Manmohan Singh with the German daily *Die Handelsblatt*.

April 21, 2006.

Handelsblatt: Mr. Prime Minister, you were the architect of the far reaching reforms in India. The economy is growing fast since then. Can this development really continue?

Singh: The process of economic reforms has clearly accelerated the pace of growth. Since 1991 our economy has grown at an average rate of 6% and in recent years even at 7.5 to 8%. In the next five years, we want to increase the rate of growth to ten percent.

Is this realistic?

It is achievable. India's savings rate has increased to 29% of GDP. Parallel to this, the investment rate has increased to 31%. This has made it possible for us to have 8% economic growth. The savings rate will increase further in the coming years. Our demographic profile, which increases the number of the employed, will make this happen. The investment rate will soon grow to 35 or 36%. Thus our society is headed towards a growth rate of 10%. And we need such growth to be able to create sufficient number of jobs and to generate resources for investing in infrastructure, health, education and protection of the environment.

The condition of India's infrastructure is the greatest concern of investors. How quickly can one improve the situation?

We need huge investments if we are to remove the bottlenecks and

at the same time overcome the great challenges in sectors such as energy and water. Foreign companies can play an important role here. But a lot is happening already. We have established regulators in all important areas. Our highway system is growing, ports are being constructed and airports modernized. Now, the railway network is also being modernized. If we keep up this momentum, the country will soon look different.

The Indian state does not have a lot of resources. How are you improving the framework conditions for the participation of private sector in the area of infrastructure?

Infrastructure sectors are by definition oligopolistic. We therefore need a good regulatory framework, and we are creating this. We have established regulators in all important sectors, from roads to petroleum. In the telecom sector we have had for some years a regulator and a dispute settlement mechanism, and this sector has seen explosive growth. We are using this model now in the electricity sector as well.

But restrictions still hinder foreign investors. Allianz, Deutsche Bank or Metro AG for instance want to do more than what they are permitted to.

We will enable a greater role of foreign banks step by step. Insurance companies are now permitted to hold a share of 26%. We intend to increase this to 49%, but we require a consensus for this in our coalition, and this is presently not in sight. Over the long term I believe the liberalization of the banking and insurance systems will continue.

And the retail sector, in particular, the super markets?

We have begun a cautious opening for the retail traders who sell single brands. We will learn from this experience. Small traders have great influence on all parties in our country. There is something such as the fear of the unknown. But with time we should be able to enable greater presence of foreign firms in this sector as well.

Above all, the communist parties, which support your government, are blocking reforms in these areas. To what extent do these compulsions of realpolitik hinder you?

They limit our options in the short term; it takes a lot of time to convince our coalition partners. There are differences about the pace of liberalization, but even the communists do not question the general direction.

The Communists are becoming more pragmatic then?

They are more cautious than I would like, but they are learning fast.

West Bengal is being ruled by a very progressive communist government, which is doing everything in order to attract investors, especially from abroad. And they are successful in this.

While the services sector is prospering, India is lacking labour intensive industries that create jobs for the unskilled.

You are quite right.

Can your country become a second “factory for the world” just like China?

The conditions for this are improving. India's manufacturing companies have become lean, efficient and globally competitive in many areas. If the World Trade System does not become more protectionist, our industry will continue to grow rapidly.

But the risk of protectionism is increasing, because globalization is no longer disadvantageous for countries like India.

The world trade system continues to damage emerging countries. Agricultural protectionism, especially in the EU and USA, deprives us of export opportunities. But we are realistic. We know that developing countries cannot shape the world trade system freely in accordance with their needs. We should therefore use all available opportunities. At the same time, the Doha Round should, as promised, become a real development round. This is the litmus test of whether old protectionism will raise its head. This will hinder our progress. But this will also adversely affect the rest of the world.

Will India's rise change the world as strongly as that of China?

If India continues to grow at 8 to 10%, it will stimulate the world economy. And the more we export, the more we will import as well. Unlike other countries, we are no mercantilists. We do not want to hoard unlimited currency reserves and we also have a large trade deficit. If Europe and USA help India in achieving its growth targets, they are doing themselves a favor as well.

India and China have good relations at present. But is it not likely that the two Asian giants become rivals over the long term?

At the moment the two countries complement each other. Our bilateral trade is booming. This was unimaginable five years ago. We do not view China as a rival, but as a friend. The world is big enough to accommodate the growth ambitions of both countries. There are still problems relating to the border, but we are making progress here as well. Cooperation between the two most populous and fastest growing

economies is important for peace in the region and the world. And this is also of decisive importance for Asia to become the political and economic epicenter of a new world order.

Unlike the USA, Europe is overlooking this development.

Two great countries like India and China, which grow so fast, have enormous potential to change the course of the world. This realization is growing in Europe as well.

America is reacting more decisively. What are the long-term strategic consequences of the Pact with Washington, which recognizes India as de facto nuclear power and promises it access to civil nuclear technology?

A global partnership is emerging between the two greatest democracies. I see this as a positive element, which will help in shaping our world.

As against this, will not the strategic partnership between Germany and India be devalued, unless it is soon extended to the areas of defense and civil nuclear technology?

Our relations are not limited to one issue. Our strategic partnership will however achieve its full significance only if it is broadened, and also addresses India's requirements in the energy sector. I do hope that we will get Germany's support for the Agreement with the USA in the civilian nuclear sector. Great Britain, France and Russia support it after all.

How important is nuclear energy for India?

It provides us greater possibilities to meet our growing energy requirements. This will help Europe as well. If our requirement for oil and gas were to increase greatly, it will exercise enormous pressure on the world market price and increase competition for diminishing reserves. I hope that we will be able to convince Germany to look at this issue for mutual benefit.

India seems similarly more ambitious in the defense sector compared to the German side.

We want to diversify the sources for our defence equipment. In the past India has cooperated with Germany in this field, but there are enormous possibilities for expanding this cooperation.

What do you expect from your visit to Germany?

I hope that it will sharpen awareness about India. The German

economy should take a better look at our country than it does now. Besides, I am looking forward to meeting Chancellor Merkel. We have the same background; like me she also started her career as a university lecturer.

Was the change difficult for you personally?

I found that it could be done. But have a look into history; one of the best economists, who has ever tried a hand at politics, was Schumpeter. He became finance minister in Austria. The results were catastrophic!

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479. Statement by Prime Minister Dr. Manmohan Singh on his departure for his visits to Germany and Uzbekistan.

New Delhi, April 22, 1006.

I will be visiting Hannover and Berlin at the invitation of Chancellor Merkel of Germany. My visit is part of the annual summit meetings between our two countries as part of our strategic partnership. During my visit, I will also be calling on President Horst Kohler. My visit to Germany will provide an opportunity to further strengthen relations with one of the major European powers and a valuable partner on global issues. Germany is one of the world's foremost trading nations. It is one of India's most important business partners and among the major foreign investors in our country.

My visit to Germany coincides with India's participation as a Partner Country in the prestigious Hannover Fair 2006, which is the world's largest technology exhibition. India participated as a Partner Country the last time at the Hannover Fair 22 years ago. Over 300 Indian Companies including PSUs, large corporate houses as well as small and medium enterprises and all the main Chambers of Commerce and Industry will be participating in this event, which will show case the vast potential for partnership that India offers for trade, industry and technological collaboration through mutual benefit. I will also be inaugurating the Indian Pavilion.

On my way back, I will be paying a bilateral visit to Uzbekistan at the invitation of President Islam Karimov. Both countries share longstanding ties and deep rooted cultural and civilizational links. Uzbekistan is an important country in the Central Asian region which we consider part of our extended neighbourhood. We hope to build on our traditional ties in providing them with new meaning and substance including in the political,

economic, defence, energy, science and technology and cultural fields. On my way back, I will be paying a bilateral visit to Uzbekistan at the invitation of President Islam Karimov. Both countries share longstanding ties and deep rooted cultural and civilizational links. Uzbekistan is an important country in the Central Asian region which we consider part of our extended neighbourhood. We hope to build on our traditional ties in providing them with new meaning and substance including in the political, economic, defence, energy, science and technology and cultural fields.

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480. Address by Prime Minister Dr. Manmohan Singh at the Inauguration of Hannover Trade Fair.

Hannover, April 23, 2006.

Your Excellency, Madame Chancellor, Your Excellency, Madame Minister for Research and Education Your Excellency, Minister President of Lower Saxony Mr. Chairman of the Hannover Fair Professor Edward Krubasik Ladies and Gentlemen,

It is a privilege to attend the inauguration of the Hannover Fair. India is proud to partner this event once again, after 21 years. Our industry is delighted to show you the new face of our ancient country in this major world fair. We thank the organizers and the people of Hannover for their gracious hospitality and friendship.

The Indian and German people have cherished a close and warm friendship. There has been a constant flow of ideas, knowledge and commerce between our peoples. Our participation at this Fair marks a qualitatively new phase in our bilateral economic relationship.

Madame Chancellor, Excellencies, ladies and gentlemen: India sees Germany as a leading scientific, technological and cultural power. We recall with gratitude the German role in the building of a new India. Your expertise helped us establish our first steel plants. German firms played-and still play-an important role in the technological modernization of India. Indeed, it is no exaggeration to say that in popular perception in India is that the "Made in Germany" logo is a synonym for the highest quality and cutting

edge technology. We see great mutuality of benefit for us in building upon this history of partnership. A future of great possibilities awaits us.

India is at the cusp of a historic transformation. Never before has the mechanism of an open market, in an enabling environment of a free parliamentary democracy, been used to raise so many millions of people from the age old scourges of poverty, ignorance and chronic disease. Today, we have a new vision for India as an active participant in the increasingly integrated global economy. We are committed to an open, liberal economy; one that is in tune with the new realities of the global economic order. We seek to enhance our presence in the international trading system. India has benefited from German support in the EU system. Just as we see Germany as a natural partner in Europe, we hope Germany will increasingly come to view India as its natural partner in Asia.

As tariff barriers fall and an even more welcoming investment climate develops, India is more open and more hospitable. Ours is one of the most liberal policy frameworks for foreign investment. We have opened up most sectors of our economy to foreign investment. I would subscribe to what Madame Chancellor said recently, when she spoke of the importance of "small steps". In the past fifteen years, a series of steps has brought India a substantial distance. We are determined to go much further.

At present, we are paying particular attention to infrastructure. We have announced plans to step up investment in transport, connectivity, power and energy, both in the rural and the urban sectors. Our highway plan, currently nearing completion, is one of the world's largest. Our railway system, already one of the world's largest, is being modernized with new technology. Ports and airports are witnessing renewed activity as the private sector and public-private partnerships in investment and operation are encouraged. These programmes will create significant opportunities for construction and engineering firms. On a rough estimate, over the next decade, our economy can absorb over 150 billion dollars of investment in the infrastructure sector alone! I urge German companies to engage in building these new infrastructure facilities.

A resurgence of the manufacturing sector is underway in India. Over the past two years, this sector has achieved growth rates of 9-10 per cent. We aim to raise this to 12 % in the near future. India is expected to emerge as a major manufacturing base in coming years. At the same time, the restructuring of Indian industry has led it to become a strong force for growth. In fact, several Indian firms have established a presence in Germany. Our

firms are increasingly meeting global benchmarks of quality, cost and productivity.

India and Germany have great opportunities to work together. Some new areas of Indian strength, such as chemicals, pharmaceuticals, auto components and electronics, complement areas of German expertise. The possibility of new partnerships between the dynamic German SME sector and its Indian counterpart is another area of interest for us. The emerging knowledge sectors are a new area for cooperation between India and Germany. Our skills in design, R&D, and innovation benefit the IT, biotechnology, media and entertainment sectors, among others. In this context, we must build upon the tradition of cooperation in space, science and technology and nanotechnology between our two countries. It is now time to elevate this interaction to a new plane. It is time for German players to take advantage of the emerging knowledge regime.

Excellency, Ladies and Gentlemen To make our economic cooperation more robust, we need to address barriers to trade and investment. Some Indian companies have faced visa and work permit problems in Germany. Employment and taxation laws also pose problems, as do some environment and labor standards. While our companies have recast operating procedures, some requirements remain onerous.

Germany is one of the world's foremost trading nations. The increased integration of India into the global trading system offers opportunities for both of us to work together bilaterally as well as in multilateral fora in a productive partnership to strengthen a rule-based, predictable international order. We look forward to working with Germany in the EU and at the WTO, among other things, to ensure the success of the Doha Round of trade negotiations.

Madame Chancellor, Ladies and Gentlemen, India and Germany have been traditional friends with a long history of mutually beneficial cooperation. With the emergence of a new and vibrant India there are new opportunities for Germany to revitalize its involvement with India. I wish the people of Germany happiness and prosperity. No less important, in the present context, I also wish you every success in hosting and playing in the forthcoming World Cup! Thank you.

481. Opening Statement by Prime Minister Dr. Manmohan Singh at Joint Press Interaction with German Chancellor.

Hannover, April 23, 2006.

Dr. Manmohan Singh: I would like to express my sincere appreciation to H.E. Chancellor Merkel and the German government for the warm welcome and hospitality extended to me and my delegation.

India and Germany enjoy excellent bilateral relations and are actively working to strengthen our Strategic Partnership. My visit here reflects our continued interest and commitment to work with Germany under Chancellor Merkel in order to further broaden and deepen our understanding on various bilateral and international issues.

As the Chancellor has mentioned, we had very useful discussion about our bilateral relations. We also exchanged views about regional issues and the current international situation. I do believe that these have helped us reach a better understanding of each other's position on all these issues.

Germany is one of our biggest trading partners and has made large investments in India. Many of our Indian companies are also expanding their business presence in Germany. The rapid growth of the Indian economy offers significant opportunities to both sides to transform our economies.

The Hannover Trade Fair with India as the partner country and the Indo-German Business Summit, which will be held tomorrow will provide a further momentum to our economic cooperation, especially in the manufacturing and infrastructure sectors.

In the energy sector, we welcome the setting up of the high level Indo-German Energy Forum with participation of both governments, as well as public and private sectors. The Forum will enable the two countries to focus on practical cooperation in the fields of energy efficiency, clean coal technology and renewable energy.

India and Germany have long-standing cooperation in the field of science & technology. We have agreed to work actively toward setting up a jointly funded Indo-German Science Centre in Delhi.

India and Germany share a common perspective on terrorism. India has been a victim of terrorism for many years now. We appreciate

Germany's understanding of our position and look forward to continued cooperation on counter-terrorism.

Our two countries also have a common vision of a cooperative, rule-based multipolar world order. During our discussions, we re-iterated our mutual determination to continue efforts within the framework of the G-4 for the reform and expansion of the UN Security Council without which the overall reform of the United Nations will remain incomplete.

I have invited Chancellor Merkel to visit India next year for continuing the tradition of annual summit meetings. I look forward to working with her to provide further impetus to our strategic partnership.

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482. Joint Statement issued on the occasion of the visit of Prime Minister Dr. Manmohan Singh to Germany.

Hannover, April 23, 2006.

Federal Chancellor Angela Merkel and Prime Minister Manmohan Singh today reaffirmed the Strategic Partnership of Germany and India. Building upon the 'Agenda for the Indo-German Partnership in the 21st Century', which both countries adopted in the year 2000, Germany and India will deepen their strategic partnership based on shared democratic values and basic common interests.

The Indo-German Strategic Partnership has seen cooperation intensifying across the board, including on the G4 initiative relating to the reform of the United Nations Security Council. Both sides agree to continue cooperation bilaterally and in the framework of G4 for the strengthening of the multilateral system and a reform of the United Nations, including the reform of the UN Security Council.

Trade, investment, scientific and technological collaboration, including in the areas of infrastructure, energy and high technology areas such as space, form an important basis for the partnership. Both sides aim to further deepen their strategic and security dialogue and will work towards an agreement on bilateral defence co-operation.

Economic and trade relations between Germany and India have flourished in recent years. India's participation as the Partner Country in

this year's Hannover Messe reflects the growing interest in India as a global economic partner and offers an excellent opportunity to intensify bilateral economic ties. Infrastructure and Energy provide major areas of deepening engagement between the two countries. The Indo-German Joint Commission on Industrial and Economic Cooperation will continue to focus on specific areas of cooperation for mutual benefit. Both sides note with satisfaction that bilateral trade is growing rapidly and that the target of doubling the trade within five years, which was set at the previous Summit meeting in New Delhi in October 2004 is likely to be achieved much earlier. Both sides recognize the significant role of the small and medium enterprises in further promoting the trade, investment and technology links and agree to facilitate intensification of linkages of such enterprises. They also note with appreciation, the contribution of the Indo-German Chamber of Commerce, which is celebrating its 50th anniversary this year, to promote economic cooperation between the two countries. They welcome the opening of a German Trade Office in Bangalore, which will further promote German trade and investment in India. They also welcome the growing trend of Indian investments in Germany.

In this context both sides commend the work of the Indo-German Consultative Group and welcome their recommendations for a further strengthening of our overall relationship including our economic and trade ties.

Both sides acknowledge the valuable contributions of Indo-German development cooperation in wide-ranging areas including energy, environmental policy, sustainable economic development, health and vocational training.

The establishment of an Indo-German Energy Forum at Senior Officials level and including the private sector highlights the importance accorded by both countries to cooperate in this sector. The Energy Forum will address strategic energy concerns including energy security, efficient use of energy, promotion of renewable energy sources and environmentally friendly technologies, taking into account the environmental challenges of sustainable development.

The two sides also take note of the satisfactory progress being made with regard to cooperation between the EU and India in the energy sector and the fact that the India-EU Joint Action Plan finalized in September 2005 at the 6th EU-India Summit in New Delhi, provides for cooperation on achieving safe, secure, affordable and sustainable energy supplies. India's

participation in the ITER initiative on fusion energy is an important part of the ongoing energy cooperation.

Germany and India have established a long and fruitful cooperation in Science and Technology. The Indo-German Science Circle has given new impetus to this cooperation and will further strengthen contacts between scientific and academic communities. Both sides expect that the newly established office of the Deutsche Forschungsgemeinschaft in New Delhi will further add to the close network of institutions between our two countries. Both sides will work towards setting up an Indo-German Science, Research and Technology Centre at an early date. The Indian Council for Medical Research and the Helmholtz Association of German research centers are signing an MoU on Research Cooperation in the field of biomedical sciences.

Germany will place special emphasis on cooperation in Science and Technology between Germany and India during its Presidency of the European Union. Both sides will work towards jointly organizing a Ministerial Conference on Science and Technology in the first half of 2007.

Both sides take note of the ongoing bilateral cooperation in the space sector including in the Chandrayaan project. India's participation in the Global navigation Satellite System (GALILEO) will be an important contribution to such cooperation.

Both sides agree to continue close cooperation in the fight against terrorism, both through the regular bilateral consultations and cooperation in the multilateral context. In particular, they will continue cooperating in pursuing agreement in the UN on the Comprehensive Convention against International Terrorism. The two sides have also agreed to start negotiations on a Treaty on Mutual Legal Assistance in Criminal Matters aiming at early conclusion of such negotiations.

Both sides agree to actively promote our traditionally close cultural cooperation. India's participation as the focus country in the Bonn Biennial Art Festival in May and as the Guest of Honour Country in this year's Frankfurt Book fair are important events to further deepen our cultural ties. They welcome the decision of the Indian Council for Cultural Relations to set up five rotating Chairs on Contemporary Indian Studies in various German universities.

483. Media Briefing by Official Spokesperson on the call on Prime Minister Dr. Manmohan Singh by German Foreign Minister.

Hannover, April 24, 2006.

OFFICIAL SPOKESPERSON (MR. NAVTEJ SARNA):What I did want to tell you is that the first call this evening on the Prime Minister was by the Federal Minister of Foreign Affairs Frank-Walter Steinmeier.

They met for about 45 minutes. Essentially the Prime Minister gave an overview to the Foreign Minister of the direction of Indo-German relations, the potential of our economic and trade relations, the possibilities which have been underlined on several occasions in the last two days of greater German investment in India particularly in the infrastructure fields which are now familiar – airports, seaports, telecom, etc.

The Foreign Minister, of course, said that he was very happy about Prime Minister's presence at Hannover and also the fact that India is the partner for this Hannover Trade Fair since he himself is ... it is almost a hometown. He spent ten years there himself. So, he had a very sympathetic and very positive attitude to the huge Indian trade presence as well as the Prime Minister's presence in Hannover.

He said that Germany was also very keen to build closer relations to widen the already existing cooperation, not only in the economic field. He said that he had not yet visited India but was working towards a visit and he expects to visit India in the second half of August.

The Foreign Minister mentioned about the India-US Civilian Nuclear Energy Agreement. He said that there had been some confused reporting about some of his remarks in Washington and he wanted to clarify. He said that the disappointment or unhappiness in those remarks at that stage was because of the timing, because they felt that this would come in the way of their dealing with the Iran nuclear issue. But, on the substance, he said that they saw a great advantage in the deal as it will bring India closer to the IAEA.

He said that Germany sees this advantage and as Germany is in the Nuclear Suppliers Group (it) would ask constructive questions and was hoping to receive constructive answers. The Prime Minister then responded to this by briefing him on our impeccable nonproliferation record, the fact

that India has tighter export controls in position, that we have a no-first-use policy, and that we are a responsible nuclear power. He also explained the rationale for a credible minimum deterrent and the need to maintain a strategic programme.

Of course, the German side clarified that there was absolutely no confusion and that there was absolutely no scope for comparison between India and any other country on this account. And, I do not want to get into more specifics.

The Prime Minister also explained in this context the need for greater avenues of obtaining energy, which was one of the main constraints for development. He also placed the Indo-US Civilian Nuclear Energy Agreement in this context.

They also discussed several regional issues. The German side wanted a briefing on Nepal. So, the Prime Minister apprised them of India's position with which you are very familiar now, and our concerns. Developments in our bilateral relations with China, Pakistan, Sri Lanka as well as our development efforts in Afghanistan were discussed. Cooperation between India and Germany in the multilateral fora was also discussed. The fact that both countries were part of G-4 and the commitment to G-4 continues, as well as the situation is now once more ripe for everybody to come together to keep the eye on the ball as far as UN reforms are concerned.

That was more or less it. Now there are further calls. There is a call going on by former Chancellor Schroeder. Then there is a meeting with some German Indologists. Thank you.

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484. Remarks by Prime Minister Dr. Manmohan Singh at Indo-German Business Summit.

Hannover, April 24, 2006.

I am delighted to be here with you, Chancellor Merkel, at the Inaugural Session of the Indo-German Business Summit. I know you share my enthusiasm for closer business and trade relations between our two countries. This Business Summit, and the various events organized in the Hannover Industrial Fair, offer an excellent opportunity for our business communities to forge useful linkages.

They also provide a new impetus to our bilateral commercial engagement. I look forward, Excellency, to working closely with you in taking Indo-German relations to a higher level of cooperation. I would like to thank the Hannover Fair authorities for their excellent arrangements and gracious hospitality. It is an honour for India to be here once again, after 21 years, as a Partner Country. India and Germany have longstanding and enduring cultural, social and economic relations. There is enormous respect for German enterprise and creativity in India.

Today, Germany is the 6th largest foreign investor in India and most major German companies are already in India, and doing well. Several have become market leaders in their areas of operation. Several Indian subsidiaries of prominent German companies have out-performed the German parent companies. This has created a good basis for cooperative engagement between our businesses. While the bigger German firms have been present in India for a long time and know India well, the German Mittelstand has also played an important role. We seek a closer engagement with this crucial sector. In this context, I would like to recognize the excellent work that the German-India Round Table has done in promoting this objective. It is because of all your good work that businesses in both our countries have a positive view of each other. I was heartened to see that a recent survey of German business leaders showed that more than 80 per cent of German companies are aware of the huge potential of the Indian market.

I believe 65 per cent of German manufacturing companies already have a presence in India and another 30 per cent plan to come there. This is a good augury for expanded cooperation between us in future. As I said yesterday at the inauguration of the Hannover Messe, the fundamentals of the Indian economy are strong and robust. We are confident of sustaining our high economic performance and growth rates of 8%. Indeed, we aim to raise this to the 8-10% bracket in the near future. Indian firms are becoming globally competitive and we are witnessing the rise of Indian multinationals. India has become a production base and an export hub for a range of products from agricultural goods to automobile components to high end and IT enabled services. Indian firms are now part of global production chains - importing, sub-assembling, adding value and re-exporting.

The Indian Pavillion at the Hannover Messe is, as we have just seen, a good representative sample of Indian skills today. Today, corporations from all over the world are establishing themselves in India. They seek to take advantage of the pool of high quality scientific talent and skilled work

force in the manufacturing and services sectors. There is immense scope for Indo-German Cooperation based on the triad of infrastructure development, manufacturing and high technology. Many German companies in India have successfully leveraged the advantage India offers to set up R & D facilities and business process outsourcing operations. Other corporations are also increasingly aware of the enormous opportunities that a market of over a billion consumers offers, in the long run. Consequently, it is no surprise that German companies are planning to expand their operations in India and make India their manufacturing hub for the region.

This is smart strategic planning. I welcome it! I offer my warm felicitations to the Indo-German Chamber of Commerce and Industry, which is celebrating its fiftieth anniversary, and the Indo-German Consultative Group. You have made a remarkable contribution in promoting the economic partnership between our two countries. I wish you success in all your future endeavours. I would like to wish this Business Summit all success.

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485. Agreement between the Ministry of Defence of the Republic of India and the Federal Ministry of Defence of the Federal Republic of Germany concerning Bilateral Defence Co-operation

Berlin, September 6, 2006

The Ministry of Defence of the Republic of India and the Federal Ministry of Defence of the Federal Republic of Germany hereinafter referred to as the “Parties”,

convinced of the significance of international military cooperation as an important element of security,

conscious of the “Agenda for German-Indian Partnership in the 21st Century” of 18 May 2000 between the Governments of the Republic of India and the Federal Republic of Germany as a principle which guides future relations in a constantly changing international environment,

recalling the interest of both sides in the establishment of a strategic dialogue based on common interests and common democratic values and the confidence that has resulted in a long period of good relations,

conscious of the importance of industrial and technological cooperation between both countries and of a bilateral dialogue on export control issues, and

desiring to strengthen relations between the armed forces of the Republic of India and the Federal Republic of Germany by closer cooperation,

have agreed as follows:

Article 1 Purpose

The purpose of this Agreement is to establish a strategic dialogue for the benefit of the armed forces at the level of Defence Secretary/State Secretary of Defence and to form sub-groups focusing on "Strategic Defence Cooperation", "Defence Technical Cooperation" and "Military to Military Cooperation".

Article 2 Fields of Cooperation

Cooperation between the Parties shall involve a regular exchange of information and experience in the following areas:

1. a strategic dialogue at the Defence Secretary/State Secretary of Defence level conducted by delegations and concerning the strategic situation and current defence policy matters. This group called the India-Germany High Defence Committee (HDC) shall meet once a year, alternately, in India and Germany,
2. bilateral expert talks in a Strategic Defence Cooperation sub-group co-chaired by the Joint Secretary level official of the Indian Ministry of Defence and Deputy Chief of Staff, Politico-Military Affairs German Federal Ministry of Defence, which constitute an element of the strategic dialogue and deal with the following subject areas;
 - a) security and defence policy,
 - b) leadership concepts ("Innere Feuhrung"),
 - c) disaster relief and humanitarian assistance,
 - d) other mutually agreed areas;
3. bilateral expert talks in a Defence Technical Cooperation sub-group co-chaired by the concerned Joint Secretary in the Acquisition Wing

of the Indian Ministry of Defence and Armament Director of the German Federal Ministry of Defence which constitute an element of the strategic dialogue and deal with the following subject areas;

- a) general defence technology cooperation,
 - b) general defence business cooperation,
 - c) exchange of information on armament procurement projects, including project related development,
 - d) exchange of information on defence technological research
 - e) technology in both countries;
4. bilateral expert talks in a Military to Military Cooperation sub- group co-chaired by a two star officer from Headquarters of Integrated Defence Staff (HQIDS) with members from the three Indian Services and a two star level officer from German Federal Ministry of Defence which constitute an element of the strategic dialogue and deal with the following subject areas;
- a) standard and advanced training of military and civilian members of the armed forces,
 - b) organisational structures of the armed forces,
 - c) maintenance of armed forces in peacetime,
 - d) military medicine,
 - e) military geoinformation affairs,
 - f) environmental protection in the armed forces,
 - g) deployment of the armed forces within the United Nations (UN) framework,
 - h) disaster relief and humanitarian assistance,
 - i) other mutually agreed areas.
5. the three sub-groups shall meet once a year, alternately, in India and Germany and at least one month prior to the annual meeting of the India-Germany High Defence Committee (HDC).
6. The Co-chairs of the three sub-groups, on Strategic Defence Cooperation, Defence Technical Cooperation and Military to Military Cooperation will report to the HDC on their deliberations and bilateral work programme for approval.

Article 3

Implementing Procedures

- (1) Bilateral cooperation shall be realized on the basis of previously agreed individual topics concerning the areas specified in Article 2. The Parties may alter the agreed individual topics at any time by mutual consent.
- (2) Where necessary, implementing arrangements to this agreement may be established governing individual areas or other forms of cooperation.

Article 4

Security

The Parties shall guarantee the protection of information and intelligence gained in the course of bilateral contacts. The Parties shall undertake not to use such information and intelligence to the detriment of the other party's interests. The information made available, as well as the knowledge attained thereof, may not be passed on to the government or its organizations or an individual or legal entity of a third country, without prior written consent of the Party making the information available.

Article 5

Costs

- (1) Each Party shall bear the cost it incurs as a result of implementing the strategic dialogue.
- (2) Necessary services performed for the other party within the scope of implementing the provisions of this agreement shall be refunded by the party that has received the services in accordance with the respective national budgetary provisions. Details shall be laid down in a separate protocol according to Article 3, para 2.

Article 6

National Laws and Regulations

All activities of the parties under this agreement shall be subject to their national laws and regulations.

Article 7

Settlement of Disputes

Disputes arising from the interpretation or application of provisions

of this Agreement shall be resolved bilaterally by consultation and negotiation between the Parties.

Article 8

Entry into Force, Duration, Amendment and Termination

- (1) This Agreement shall come into effect on the date of signature thereof.
- (2) This Agreement may be amended or supplemented in writing at any time as mutually agreed by the parties.
- (3) This Agreement may be terminated in writing by either party by giving six months' notice.

Done at Berlin on 6th September 2006 in two originals, each in the Hindi, German and English languages, all texts being authentic. In case of divergence of interpretation the English text shall prevail.

**For the Ministry of Defence
of the Republic of India**

**For the Federal Ministry of Defence
of the Federal Republic of Germany**

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GREECE

486. Press Release of the Embassy of India in Athens on the visit of Minister of State Anand Sharma to Greece.

Athens, August 29, 2006.

Minister of State for External Affairs, Mr. Anand Sharma, and his delegation had talks Monday with the Greek Minister of Tourism Mrs. Fanny Palli-Petralia, on measures to boost tourism cooperation and relations between both countries, including holding of tourism promotion business forums involving tourism operators of both countries, participation in Tourism infrastructure development in India, and promotion of new forms of tourism. The Greek Minister agreed to schedule an early visit to India for further discussions, and to open a Greek Tourism Promotion Office in Delhi.

Mr. Sharma had talks with the Greek Foreign Minister Mrs. Dora Bakoyannis, who has recently made a visit to the Middle East, and whose country is taking over the presidency of the UN Security Council in September. Both Ministers agreed that there was considerable scope for further strengthening bilateral relations, through further high level visits, and especially in fields such as shipping, tourism, trade, investment, science and technology, agriculture, and culture. They also exchanged views on current international issues, including the Middle East, South Asia, the need to counter terrorism and extremism, etc. On UN reform and enlargement of the UNSC, both sides agreed that reforms were essential to make the UN more effective. Mr. Sharma thanked the Greek Government for its support to India's candidature for membership of the UNSC, and for co-sponsoring the G-4 draft resolution last year on this subject. The Ministers also discussed the election of the next UN Secretary General and agreed that it should be Asia's turn to fill this post, for which India had presented a strong candidate, Mr. Shashi Tharoor. Mrs. Bakoyannis agreed to schedule a visit to India in early 2007.

Mr. Sharma noted that his visit is the first Ministerial level visit from India since changes in Government in both countries in 2004. Both countries have much in common, having ancient civilizations, and modern democracies, and common views on many issues. India has a strong relationship with the EU, of which Greece is a member since 1981, and is actively involved in the integration into the EU of countries of the Balkans and Eastern Europe.

HUNGARY

487. Media briefing by Official Spokesperson on the visit of the Foreign Minister of Hungary.

New Delhi, November 3, 2006.

The Foreign Minister of Hungary has also been proceeding during the day. Dr. Kinga Goncz had detailed discussions with the External Affairs Minister, Mr. Pranab Mukherjee. She also called on the Hon'ble Speaker. During the meeting with the Hon'ble Speaker, reference was made to the pending invitation to him to visit Hungary and the need for greater Parliamentary exchanges. During the meeting of the External Affairs Minister and the Foreign Minister of Hungary, a wide variety of issues were discussed. In particular, existing bilateral mechanisms of Joint Business Council and Joint Economic Committee were discussed with the purpose of raising the level of economic cooperation which, as I told you the other day, the trade is relatively low at USD 140 million only.

Science and technology cooperation was discussed, particularly cooperation between scientific academies, Ministries and institutions. The External Affairs Minister suggested the possibility of Hungary using European Union funding to finance scientific projects between the two countries. Energy cooperation and civilian nuclear energy, particularly in the role that Hungary can play in the NSG also came up for discussion. Hungary also confirmed support for permanent seat for India in an enlarged UN Security Council. Terrorism and efforts for cooperation to counter it were discussed with expressions of mutual support in this regard.

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MONTENEGRO

488. Press Release of the Ministry of External Affairs on recognition of the Government of the Republic of Montenegro.

New Delhi, August 10, 2006.

The Government of India has recognized the Government of the Republic of Montenegro. A communication to this effect was sent in a letter dated 2 August 2006 from Minister of State in the Ministry of External Affairs, Shri Anand Sharma addressed to Minister of Foreign Affairs of Montenegro H.E. Mr. Miodrag Vlahovic. Following this step, formal establishment of diplomatic relations is being initiated. The Indian Ambassador in Belgrade will be concurrently accredited to the Republic of Montenegro.

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POLAND

489. Press Release issued by the Embassy of India on the visit of Minister of State Anand Sharma to Poland.

New Delhi, June 5, 2006.

Mr. Anand Sharma, Minister of State for External Affairs, visited Poland from June 12-15, 2006. During the visit, he had an extensive exchange of views with H.E. Ms. Anna Fotyga, Minister of Foreign Affairs of Poland. He also met with Defence Minister H.E. Mr. Radoslaw Sikorski, Secretary of State in PM's Chancellery Mr. Zbigniew Derdziuk, Vice Marshal of the Sejm Mr. Marek Kotlinowski, Vice Marshal of the Senate Mr. Marek Ziolkowski, Undersecretary of State in Foreign Ministry Mr. Witold Wyszczynowski, and Undersecretary of State in President's Chancellery Mr. Andrzej Krawczyk.

During these meetings, the two sides reviewed the entire gamut of bilateral relations and expressed satisfaction at the growth registered in all fields. Expressing satisfaction at more than doubling of bilateral trade during 2002-05 to reach a level of US\$ 584.83 million, the two sides were of the view that there was a significant scope for further growth of bilateral trade and investments. Present Indian investments in sectors such as steel, information technology, electronics, pharmaceuticals, food processing, health services, etc should be consolidated and further expanded, in addition to the traditional fields of cooperation including defence. They said that the forthcoming visit of the Polish Economy Minister and the meeting of the revamped Joint Economic Committee in autumn this year would help the two countries make progress in these fields.

Minister Sharma thanked his Polish interlocutors for Poland's support for India's candidature for a permanent seat in the enlarged UN Security Council. The two sides decided to remain actively engaged on the issue of UN reforms as also other global issues such as the fight against the menace of international terrorism.

The two sides expressed happiness on the regular exchanges of high level visits. They expressed satisfaction with the successful visits of Indian Defence Minister and Commerce and Industry Minister to Poland. Minister Sharma welcomed the forthcoming visits of the Polish Defence Minister, Economy Minister and Prime Minister to India during the second

half of this year. He conveyed that these visits will not only help in promoting mutual understanding but will also give a boost to trade and investment between the two countries.

During his visit to Krakow on 14th June, Minister Sharma met with Governor of Malopolska region Mr. Witold Kochan and Rector of the Jagiellonian University Prof. Karol Musiol. He also interacted with students and teachers of Indian studies and other prominent personalities in Krakow. He stated that the presence of Indian major Tata Consultancy Services in the field of information technology in Krakow will not only create new jobs for the people but also project a new image of India as a global IT superpower. Success of this venture will encourage other Indian investors to develop cooperation with Poland. He said that India would continue to provide full assistance to further expansion of centres of Indian studies in the Polish universities. Towards this end, the Indian Council for Cultural Relations would deploy five more teachers in Polish universities, in addition to the existing deployments of Indian teachers in Warsaw University, Jagiellonian University and Polish Academy of Sciences. Details of cooperation with the Jagiellonian University were also discussed.

Minister Sharma sincerely thanked his Polish interlocutors for the courtesies and warm hospitality extended to him during the visit. He invited Foreign Minister Fotyga to visit India. The invitation was accepted and the date of the visit would be finalised through diplomatic channels.

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490. Memorandum of Understanding on Cooperation between The Indian Council of World Affairs, Republic of India and The Polish Institute of International Affairs, Republic of Poland.

New Delhi, December 7, 2006.

The Indian Council of World Affairs (ICWA), New Delhi, and The Polish Institute of International Affairs (PISM), Warsaw hereinafter referred to as 'The Parties';

Intending to enhance mutual understanding and friendship between the peoples of the Republic of India and the Republic of Poland through the promotion of friendly institutional relations;

Have reached the following understanding:

Article 1 – General Guideline

The Parties agree to develop exchange and cooperation on the basis of mutual respect, equality and mutual benefit.

The Parties agree to promote India-Polish bilateral relations, particularly in the following areas: diplomacy, culture, economy and trade, academics, sciences, social sciences, communications and the media.

The India-Poland Meetings will be hosted alternately in India and Poland by the ICWA and the PISM respectively. The first Meeting will be hosted by PISM in Warsaw.

Article 2 – Contents of Cooperation

Cooperation under this Memorandum may include;

1. Promotion and support of those activities contributing to better understanding and relations between India and Poland;
2. Promotion and support for the exchange of visits by eminent persons in the fields of diplomacy, culture, academics, economy and trade, education, sciences, social sciences communication and the media;
3. Cosponsoring of bilateral seminars, symposiums and panel discussions on issues of common interest;
4. Exchange of publications;
5. Other forms of cooperation as may be agreed upon by both parties through consultations;

Article 3 – Sharing of Expenses

On the basis of reciprocity, the sending Party shall cover international travel expenses while the receiving Party shall cover local transportation and hospitality expenses of the participants as well as local organizational costs.

Article 4 – Others

Other issues not covered in this Memorandum shall be decided through mutual consultation between the Parties.

Article 5

The Memorandum shall come into effect the date of its signature. This Memorandum of Understanding may be amended by mutual agreement whenever necessary.

Signed in New Delhi on the 7th day of December in the year 2006 in three originals in the Hindi, English and Polish languages, all text being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

(Talmiz Ahmad)
For Indian Council of
World Affairs,
Sapru House, New Delhi
Republic of India

(Dr. Slawomir Debski)
For Polish Institute of
International Affairs,
Warecka 1a, Warsaw
Republic of Poland

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PORTUGAL

491. Memorandum of Understanding on Cooperation between The Indian Council of World Affairs, Republic of India and the Instituto do Oriente, Republic of Portugal.

Lisbon, November 16, 2006.

Talmiz Ahmad, Director General of the Indian Council of World Affairs located at Sapru House, New Delhi, Republic of India, and **Narana Sinai Coissoro, President of the Instituto do Oriente**, Technical University of Lisbon, Republic of Portugal **On behalf of,**

The Indian Council of World Affairs (ICWA), New Delhi, and The Instituto do Oriente (IdO), Lisbon, hereinafter referred to as 'The Parties';

Intending to enhance mutual understanding and friendship between the peoples of the Republic of India and the Republic of Portugal through the promotion of friendly institutional relations;

Have reached the following understanding:

Article 1 – General Guideline

The Parties agree to develop exchanges and cooperation on the basis of mutual respect, equality and mutual benefit.

The Parties agree to establish a non-governmental group of eminent persons, from both sides from the fields of diplomacy, culture, economy and trade, academics, sciences, social sciences, communications and the media to facilitate an Annual India-Portugal Dialogue and cooperation between the civil societies of India and Portugal.

With a desire to make such dialogue and exchange fruitful, the Parties shall, through mutual understanding, decide upon the number of participants from each side, and shall each nominate their respective Co-Chairpersons. The list of eminent members from both sides shall be communicated through mutual exchange of letters.

The Annual Dialogue will be hosted alternately in India and Portugal by the ICWA and the IdO respectively. The first dialogue will be hosted by the ICWA in 2007.

Article 2 – Contents of Cooperation

Cooperation under this Memorandum may include:

1. Promotion and support of those activities contributing to better understanding and relations between India and Portugal;
2. Promotion and support for the exchange of visits by eminent persons in the fields of diplomacy, culture, academics, economy and trade, education, sciences, social sciences communication and the media;
3. Cosponsoring of bilateral seminars, symposiums and panel discussions on issues of common interest;
4. Exchange of publications;
5. Other forms of cooperation as may be agreed upon by both parties through consultations;

Article 3 – Sharing of Expenses

The expenses on each event to be organized shall be decided between the parties by mutual consent on the eve of each event.

Article 4 – Others

Other issues not covered in this Memorandum shall be decided through mutual consultation between the Parties.

Article 5

The Memorandum shall come into effect from the date of its signature. This Memorandum of Understanding may be amended by mutual agreement whenever necessary.

Signed in Lisbon on the 16th day of November of the year 2006.

Talmiz Ahmad
Director General
For Indian Council of
World Affairs,
Sapru House, New Delhi, India

Narana Sinai Coissoro
President
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ROMANIA

492. Joint Statement on the State Visit to India of Romanian President Traian Basescu.

New Delhi, October 23, 2006.

1. At the invitation of Dr. A. P. J. Abdul Kalam, President of India, H.E. Mr. Traian Băsescu, President of Romania, paid a state visit to India from 22-24 October 2006.
2. During the visit the President of Romania had meetings with the President Dr. A.P.J. Abdul Kalam, Prime Minister Dr. Manmohan Singh. He also had a meeting with Smt. Sonia Gandhi, Chairperson of UPA.
3. The talks were held in an atmosphere of friendship, warmth and mutual understanding that traditionally characterize the relationship between Romania and India.
4. In his meetings with the President, Prime Minister and other Indian government representatives, H.E. Mr. Traian Băsescu exchanged views on the excellent state of the current bilateral relations. Both Sides emphasized that the bilateral ties have developed along the lines of excellence, especially in the past 16 years, during which the relationship has been steadily strengthening in all fields.
5. The visit of H.E. Mr. Traian Băsescu to India in October 2006 was recognized by both Sides as a continuation of the high level bilateral contacts sustained between the two countries, including the Official Visit of H.E. Mr. Bhairon Singh Shekhawat, Vice-President of India, to Romania in October 2005 as well as subsequent visits at ministerial and other levels. The two Sides agreed to continue to maintain high-level bilateral contacts on a regular basis.
6. In this regard, The President of Romania, H. E. Mr. Traian BASESCU extended invitations to the President of the Republic of India and the Prime Minister of the Republic of India to pay official visits to Romania. The invitations were accepted with pleasure. The dates of the visits would be decided through diplomatic channels.
7. Both Sides called for further intensification of parliamentary contacts, and acknowledged the contribution of the Groups of Friendship, of

the respective Parliaments of India and Romania, towards promoting bilateral relations, and towards employing the tools of the multilateral diplomacy in order to address issues of common concern in the international arena.

8. Both Sides stressed their readiness to continue to maintain close contacts between the two Foreign Ministries at various levels, including within the framework of bilateral consultations and the links between the diplomatic training institutions.
9. The two Sides also agreed that the long tradition of political interaction, commercial and cultural exchanges, fortified by recent surges in economic and investment ties between the two countries provide a valuable foundation for the strengthening of the cooperation framework in a manner responsive to current global realities.
10. Based on this assessment, Both Sides agreed to take active steps in order to elevate their bilateral relations to the status of extensive partnership, on the occasion of the next high-level bilateral meeting.
11. In this regard, Both Sides expressed their willingness to further strengthen and expand bilateral relations in a wide range of areas, including political dialogue at all levels, trade, economic and investment promotion, scientific and technological cooperation, cultural and educational exchanges.
12. India felicitated Romania on its impending membership of the European Union from 1 January 2007. Both Sides expressed the view that with Romania joining the European Union soon, new opportunities arise for closer and more dynamic relationship between Romania and India. Both Sides also welcomed their inclusion as partners in ASEM, which they acknowledged as an opportunity for extending the overall cooperation between the two countries.
13. The President of Romania was accompanied by a high-level business delegation. In New Delhi and Mumbai, he will address luncheon meetings of representatives of apex Indian chambers of commerce and industry – Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII) and Associated Chambers of Commerce (Assocham).
14. In the context of efforts of both countries for greater energy security and to develop stable, sustainable and efficient energy sources, Both

Sides agreed to further enhance their cooperation in this field, in a manner consistent with their international obligations. In this regard, they also agreed on the need to promote greater international cooperation in promoting nuclear energy as a safe, environment-friendly and sustainable source of energy, through forward-looking approaches, in accordance with the International Atomic Energy Agency (IAEA) Statute and other relevant international agreements.

15. The two Sides declared energy, especially the oil and gas sector, and defence industry as the main strategic priorities of the bilateral relations, while designating the IT&C industry, the pharmaceutical industry and the SME's as the main pillars of the economic cooperation between Romania and India. To that end, and recognizing the importance and the efficiency of the activity carried out by the Joint Working Group on Oil and Gas, the two Sides decided to inaugurate a new Joint Working Group on Energy Cooperation.
16. The two countries noted that potential exists for further development of bilateral defense cooperation, not only in equipment sales, but also in co-production, technology transfers, military to military exchanges and training.
17. The two Sides expressed satisfaction over the progressive expansion and diversification of the India-Romania bilateral economic relationship. They agreed that even though bilateral trade has shown dynamic growth over recent years, it has yet to deliver until it has done full justice to the existing potential. The two countries agreed to strive to achieve a bilateral trade turnover of USD 1 billion by 2010.
18. Both Sides reiterated their interest for intensifying cooperation bilaterally and in third markets, in various other fields, such as the space and aeronautical industry, civil engineering, machine building industry, agriculture and tourism.
19. Recognizing the tremendous scope for enhancing two-way tourism, it was agreed that the both countries would focus on bilateral tourism-promotion initiatives, including the feasibility of direct air links between the two countries.
20. In this regard the two Sides agreed to explore and identify mutually convenient solutions for facilitating the access of the representatives

of the business communities from both countries to each other's market. The two sides agreed to work out arrangements for facilitating visa-free access for diplomatic and official passport holders of both countries.

21. The Romanian and the Indian Side emphasized the essential role of the UN for global peace and security, for promoting the economic and social advancement of all people and for meeting global threats and challenges.
22. Recognizing the serious threat that terrorism poses to international peace and security, both Sides reaffirmed their strongest condemnation of terrorism in all its forms and manifestations. They decided to further strengthen cooperation at the bilateral level and within the UN in the fight against international terrorism, organized crime and illegal trafficking, as well as on disarmament and preventing proliferation of weapons of mass destruction and their means of delivery.
23. Both Sides supported the expeditious adoption and implementation of a UN Comprehensive Convention on International Terrorism. They agreed to continue their useful exchange of views in the context of the discussions at the UN on the global counter-terrorism strategy.
24. Both Sides took note of the need for expanding cooperation in the field of culture and education, including promotion of Romanian studies in India and Indological studies in Romania. The Romanian Side expressed its high appreciation of the assistance in the field of training rendered by the Government of India under the ITEC and other programs.
25. The potential of closer educational links was noted. To provide an institutional framework for facilitating exchanges of students and research scholars between educational institutions of the two countries, India and Romania will hold discussions on a bilateral programme of exchanges in education, in the near future.
26. The two Sides agreed that there is tremendous potential for a greater synergy between the scientific communities of the two countries, which can be exploited through closer cooperation between the respective ministries as well as between universities for promoting exchanges of information and scholars between the research

institutions. The two countries will explore the possibility of bilateral arrangements on cooperation in science and technology.

27. The two Sides exchanged views on a broad range of regional and international issues of mutual interest and expressed satisfaction with the existing close proximity of views. They expressed their commitment to further strengthen the cooperation between Romania and India in the UN and at other international fora.
28. The two Sides exchanged views on developments in their respective regions, and on the ongoing international efforts – in which both countries are deeply involved – against terrorism, for strengthening institutions and traditions of democracy in the world, for a rule-based system of international trade, and for a more determined global effort to address the daunting environmental challenges of our time. The discussions revealed mutual understanding and a similarity or identity of outlook on all major international developments.
29. India and Romania share perspectives on the urgent need for strengthening the United Nations to more effectively address today's challenges, and for comprehensive UN reform, including development, security and human rights. They welcomed the establishment of the Human Rights Council and the Peace Building Commission and pledged their support for the successful work of the new organs of the UN at the significant initial stage. As founding members of the UN Democracy Fund, Romania and India reiterated their willingness to continue to work together to achieve the aims and objectives of the Fund. They also reiterated their willingness to continue cooperating within the Community of Democracies.
30. Both Sides shared the view that the Security Council must be reformed to reflect contemporary global realities. To this end, they noted that the UN Security Council needs to be expanded on the basis of equitable representation, with the inclusion of both developed and developing countries.
31. The two Sides signed the following documents:
 - i. Agreement on Economic Cooperation;
 - ii. The Cultural Exchange Program for 2007-2009;
 - iii. Memorandum of Understanding on Cooperation between the

Foreign Service Training Institute of India and the Romanian Diplomatic Institute;

- iv. Memorandum of Understanding regarding the Cooperation between the SME's of Romania and India.

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493. Speech by President Dr. A. P. J. Abdul Kalam at the Banquet in honour of the Romanian President Traian Basescu.

New Delhi, October 23, 2006.

Your Excellency,

Mr. Traian Basescu,

President of Romania,

Madam Maria Basescu,

Excellencies,

Distinguished Guests, Ladies and Gentlemen,

I am delighted to welcome you Mr. President and your delegation to India. Your visit, coming at the height of the festival season in India, is indeed a reaffirmation of the strong ties that bind our two countries.

I find that both our countries have age-old links. Neagoe Basarab's work, "Advice to his son Theodosie", is similar to Kautilya's "Arthashastra". Both works echo thoughts of wisdom and ethics. Recent ties between India and Romania stretch back to the 19th century. Romania's national poet Mihai Eminescu was attracted to Indian languages and literature and translated a book on Sanskrit grammar into Romanian. Gurudev Rabindranath Tagore, our poet laureate, visited Romania in 1926 and received a Doctorate Honoris Causa from the University of Bucharest while Mircea Eliade from Romania spent four years studying philosophy and Sanskrit at Calcutta University. Such exchanges reflect the deep cultural and civilisational links that characterise our ties.

Bilateral diplomatic relations, whose 60th anniversary will be observed in the year 2008, have been marked by close political

understanding, frequent high-level exchange of visits, as well as significant cultural exchanges. The establishment of democracy in Romania since 1989 has brought our countries even closer together in terms of common aspirations and our relations have been marked by regular high-level visits. The Indian Vice-President had paid a State Visit to Romania in October 2005. Mr. President, you had very fruitful discussions with our Prime Minister in May 2005 on the occasion of Victory Day celebrations. Our Minister of State for External Affairs was a Special Guest Speaker at the Annual Reunion of Romanian Diplomacy last month. Your present visit, Your Excellency, will therefore provide fresh impetus to our bilateral relations.

Romania has been involved in major Indian projects in the past in sectors such as petroleum, power and metallurgy. However, what gives our relationship a special boost now is the substantial economic content, which has developed in our relations. Indian companies have invested in many Romanian sectors like steel, pharmaceuticals, plastics, property development, Information Technology and manufacturing. I understand that negotiations are also in progress in sectors like the hotel and tourism industry, textiles, and packaging etc. Bilateral trade has thus impressively increased from 68 million Dollars in 2000 to 426 million Dollars in 2005. We should aim at reaching 2 billion Dollars by the year 2010.

Just as this trend is encouraging, it is heartening to note that both our countries are seriously working at exploiting the considerable potential, which is still available for growth. For this purpose, both countries have identified Information Technology, pharmaceuticals, renewable energy, metallurgy and heavy industries as sectors having the maximum potential for cooperation. India has successfully invested in the field of oil exploration in other countries. With your country's strength in the field of oil equipment, this area of oil and gas exploration could be an area of fruitful cooperation.

Energy is a key area where both countries could cooperate. We could cooperate in the areas of oil and gas, as well as low head hydroelectric plants, in which Romania has considerable capabilities. India has vast experience in setting-up of large-scale hydro-electric power stations. We are willing to collaborate with Romania on a turnkey basis for setting-up of hydroelectric power stations in Romania in a mutually agreed way. I understand that Romania has also progressed well in hydrogen related technologies. Scientific and technological exchanges as well as educational linkages between our two countries should therefore be initiated on an institute-to-institute and laboratory-to-laboratory basis to benefit from the

synergy of our combined competencies in these fields. India could offer cooperation in the field of agriculture and agro-food processing as well.

India and Romania have a flourishing Cultural Exchange Programme and I am happy to note the continued interest among Romanians for Indian art, music, dance, as well as in Yoga and Ayurveda. There has been a noteworthy revival of interest in Indology and Indian culture. During his visit to Romania last year, our Vice-President had announced a few cultural scholarships to be given to Romanians in addition to the existing scholarships under the ITEC programme.

I congratulate Romania on its impending membership of the European Union from 1st January 2007. This is a historic achievement for Romania and we wish all success to the people of Romania. As you are aware, we have a strategic partnership with the EU, which is currently our largest trading partner. We hope to further strengthen and expand this partnership.

Excellency, your visit to India will further strengthen our bilateral relations and lend greater dynamism to our multi-faceted ties. We welcome you as a dear friend representing a great and talented people and hope that you will find your stay in India to be pleasant and enjoyable.

Excellencies, Ladies and Gentlemen, may I request you to join me in raising a toast:

- to the health and happiness of His Excellency President Traian Basescu and Madam Maria Basescu;
- to the progress and prosperity of the friendly people of Romania; and
- to closer, more dynamic and vibrant cooperation between India and Romania.

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RUSSIA

494. Press Release of the Ministry of External Affairs on the telephonic conversation of Prime Minister Dr. Manmohan Singh with President Vladimir Putin of Russia.

New Delhi, March 5, 2006.

Prime Minister had a 20-minute conversation over the telephone with President Vladimir Putin of Russian Federation late in the evening of March 4. The conversation was initiated by the Indian side.

The two leaders discussed implementation of areas of cooperation identified during their last Summit meeting in Moscow in December 2005 in context of the forthcoming visit of H.E. Mr. Mikhail Fradkov, Prime Minister of the Russian Federation, in mid-march. President Putin also briefed Prime Minister Singh about the G-8 Summit being hosted by Russia in St. Petersburg in July 2006. Prime Minister conveyed his acceptance of President Putin's invitation to participate in a broader dialogue with the G-8 at St. Petersburg.

The discussion between President Putin and Prime Minister Singh also covered India-Russia bilateral economic and commercial relations. Prime Minister Singh expressed satisfaction that the bilateral agreement on Russia's accession to the World Trade Organization had been signed recently, in accordance with his commitment to President Putin during their last meeting. The two leaders also discussed ongoing cooperation in the field of civilian nuclear energy.

The leaders exchanged views in context of the forthcoming meeting of the Board of Governors of the IAEA on March 6. Prime Minister welcomed Russia's efforts to address the issue related to Iran's nuclear programme through dialogue and consultations.

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495. Response of the Official Spokesperson to questions that US had expressed reservations to Russia's intention to supply nuclear fuel for Tarapur.

New Delhi, March 15, 2006.

There is no violation of NSG guidelines and Russia has approached NSG under the safety exception clause. US is aware of the urgent need for fuel for Tarapur.

India had made a request to the US to supply fuel for Tarapur, but this was not possible under current US laws. The July 18 Joint Statement has stated that the US will seek to adjust its laws and seek a change in NSG guidelines to enable full civil nuclear cooperation with India, including, fuel supplies for the safeguarded reactors at Tarapur. The statement also commits the US, in the meantime, to encourage its partners to consider India's request for such fuel supplies expeditiously. India has had to seek urgent and limited supplies of uranium fuel to enable Tarapur to continue its operations in safety.

The US Congress is currently debating a change in US laws which would enable full civilian nuclear energy cooperation with India. Once US laws have been amended, India looks forward to the US emerging as a major and reliable partner to India, not only in respect of assured fuel supplies, but for other aspects of civilian nuclear energy cooperation¹.

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1. Answering questions from journalists about the fuel supply by Russia the Spokesman said:

Question: There are some wire reports that Russia has agreed to supply nuclear fuel for Tarapur? What is your take on that?

Answer: Well, the report is correct to the extent that to India's request, Russia has agreed to supply a limited amount of uranium fuel for the safeguarded units 1 and 2 of the Tarapur Atomic Power Station and this supply of fuel will enable the plant to continue to operate in safety and provide much needed electricity to the western power grid of the country.

Question: Have they taken the approval of NSG in this regard?

Answer: According to our information, they have notified the NSG of their intention to supply fuel to Tarapur under the safety exception clause of the NSG guidelines. The shortage of fuel for Tarapur would have affected its continued operations under reliable and safe conditions.

Question: Can Russia unilaterally do it, or this will have to be formally cleared by NSG?

Answer: Well, they have notified the NSG of their intention to supply the fuel under a particular clause which is the safety exception clause of the guidelines. The fact that they have notified them and identified the clause, I think answers your question.

Question: The last time such fuel came, in 2001, it was criticized by the US government...(inaudible)...this is a fallout of the...(inaudible)...it will allow more countries to have dealings outside the NPT ?

Answer: Let me put it like this. You know India has made a request to the United States for supply of fuel for Tarapur, and this is not being possible under the current US laws. The July 18 statement has stated that the US will seek to adjust its laws and seek a change in NSG guidelines to enable full civil nuclear cooperation with India, including, fuel supplies to the safeguarded reactors at Tarapur. The statement also commits the United States, in the meantime to encourage its partners to consider supply of fuel expeditiously to India, and India has had to seek this urgent and limited supply of uranium fuel to enable the Tarapur reactors to function in safe and reliable conditions."

Meanwhile it was reported that India received the first part of the promised supply of 60 metric tones of Russian low enriched uranium fuel for the two units of Tarapur Atomic Power plant. The first consignment of 20 -25 metric tones of uranium which has arrived from Russia at the Nuclear Fuel Complex of Department of Atomic Energy was to be delivered to Nuclear Power Corporation of India Ltd., at an appropriate time, the DAE officials said in Mumbai. The current fuel supply to the units I and II would last for eight months in one unit and for 18 months at the other. "With Russian supply of 60 metric tones of uranium, the plants will have fuel for the next five years and run smoothly," the Executive Director, Corporate Planning, NPCIL told the Press Trust of India.

The Russian Prime Minister on a visit to New Delhi said on March 16 that Moscow's decision to supply uranium fuel to Tarapur nuclear reactor "did not contradict international commitment...We are cooperating on this matter. We have served this issue within international framework and it does not contradict international commitment," Prime Minister of Russia Mikhail Fradkov said. He said Russia had "informed the Nuclear Suppliers' Group about supply of fuel to Tarapur Atomic Power Station...the sale of uranium is in the interest of both the countries (India and Russia):"

496. Briefing Points by Official Spokesperson on the visit of Prime Minister of the Russian Federation, Mr. Mikhail Fradkov.

New Delhi, March 17, 2006.

1. H.E. Mr Mikhail E. Fradkov, Chairman of the Government of the Russian Federation, paid an official visit to India from March 16 to 17, 2006.
2. During his stay in Delhi, H.E. Mr Fradkov called on the President of India, Dr. A.P.J. Abdul Kalam, held wide-ranging discussions with Prime Minister Dr. Manmohan Singh, Finance Minister Shri P. Chidambaram and Commerce & Industry Minister Shri Kamal Nath.
3. During the visit, the following seven documents on cooperation were signed: -
 - (i) Agreement between the Indian Space Research Organisation (ISRO) and the Federal Space Agency (ROSCOSMOS) for launching of Russian navigation satellites, GLONASS-M, by a variant of the Indian Geo-Synchronous Satellite Launch Vehicle (GSLV). This agreement would facilitate launching of GLONASS-M type of satellites of Russia using the Indian GSLV.
 - (ii) Agreement between the Indian Space Research Organisation (ISRO) and the Federal Space Agency (ROSCOSMOS) on joint development of GLONASS navigation satellites, GLONASS-K.
 - (iii) MOU on cooperation between Indian Oil Corporation and Joint Stock Company Sroytransgaz of the Russian Federation. This MOU is a declaration on intent for pursuing petro-infrastructure projects [design and construction of pipelines, gas & oil storage facilities etc.] worldwide jointly through a consortium.
 - (iv) Agreement between Vneshtorg Bank of Russian Federation and EXIM Bank of India on opening of a new credit line.
 - (v) Agreement on cooperation between the ICICI Bank and the Vnesheconom Bank of the Russian Federation.

- (vi) Agreement on cooperation between the Confederation of Indian Industries [CII] and the Russian Union of Industries & Enterprises [RUIE].
 - (vii) Agreement between the Federation of Indian Chambers of Commerce & Industry [FICCI] and the Indo-Russian Business Council set up by the Russian Federation Chamber of Commerce & Industry [RFCCI] and the Expert Magazine of Russia.
4. Prime Minister Mr. Fradkov was accompanied by Mrs. Elena Fradkova and high-level officials including the Head of the Russian Federal Space Agency, and a high level business delegation. In New Delhi, he addressed a meeting of representatives of apex Indian chambers of commerce and industry – CII, FICCI and Assocham.
 5. During his meetings with the President, Prime Minister and other Indian government representatives, H.E. Mr Fradkov exchanged views on the excellent state of current bilateral relations. It was agreed that the strategic partnership between the two countries serves the long-term national interests of the two countries and would further consolidate their multifaceted cooperation. It was emphasized that the strong and forward-looking bilateral relations would promote peace, stability and security in the region and in the world. The Indian side has expressed its appreciation for the supply of fuel to Tarapur Power Station¹.
 6. It was felt that the long tradition of political interaction at high levels, frequent commercial, scientific and cultural exchanges, as well as defense cooperation, between the two countries provide a valuable base to further strengthen the strategic partnership in a manner responsive to current global realities. In this context, the signing of agreements during this visit in the fields of space, energy, banking

1. Russian understanding of Indian need for nuclear energy was reflected in an interview given by Director of the Foreign Ministry's Security and Disarmament Department Anatoly Antonov to Russian daily *Vremya Novostei*. Recognizing India's energy needs, he pleaded for making an exception for India in the Nuclear Non-Proliferation Treaty to give it access to civilian nuclear technology. "We cannot ignore India's energy requirements. It is a rapidly developing country with a good non-proliferation record. We should probably make an exception in this case without adopting new norms that may erode the non-proliferation regime," said Antonov.

and between the Chambers of Industry & Commerce of India and Russia was welcomed.

7. Trade and economic cooperation was the main focus of the visit. The progress made in the implementation of the agreements reached during the official visit of the Prime Minister to the Russian Federation in December 2005 was reviewed. It was agreed that the range and depth of bilateral cooperation would be further expanded, particularly in priority areas such as energy, trade and economy, high technologies, space, and civilian nuclear energy, infrastructure and other knowledge-based areas. The role of bilateral investment activity in mutually beneficial sectors was emphasized.
8. The completion of bilateral negotiations on Russia's accession to the WTO was welcomed and it was hoped that this multilateral organization would be one more forum for close interaction between Indian and Russia. The two sides welcomed the setting up of a Joint Study Group to examine the feasibility of concluding Comprehensive Economic Cooperation Agreement between India and the Russian Federation.
9. The Russian side recognizes India's growing energy requirements to support its economic development. The importance of frequent interaction between the business communities of the two countries was reiterated during this visit. The two sides share the view that banking and financial linkages between the two countries should be further promoted. Energy remains a key priority area in which India and Russia are making joint efforts for long-term and large-scale cooperation in civilian nuclear energy, oil and gas sector. In this regard, the 2 x 1000 MW capacity Kudankulam nuclear power plant, which is currently under construction with of participation by Russian companies, is an important project.

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497. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and Russian Prime Minister Mikhail Fradkov.

New Delhi, March 17, 2006.

Dr. Manmohan Singh:

Your Excellency, Prime Minister Fradkov Members of the Russian delegation Ladies and gentlemen of the press I warmly welcome you to New Delhi, a city with which the Prime Minister is so familiar.

Our discussions today focused on giving a new depth to our strategic partnership. As large modernizing economies, we have an interest in strengthening bilateral cooperation and in jointly making global interdependence beneficial. In this context, I am happy that we have concluded a bilateral agreement on Russia's accession to WTO last month.

The formation of the India-Russia Trade and Investment Forum headed by our Commerce Minister and his Russian counterpart is a valuable step forward in revitalizing our trade and economic relations. We aim to expand bilateral trade to \$ 10 billion in the next five years. A Joint Study Group has been formed to recommend ways to achieve this goal and to examine the feasibility of signing a Comprehensive Economic Cooperation Agreement. We will continue discussions to conclude an Agreement allowing investment of funds from the Rupee Debt Account in India.

While we explore ways, at the government level, to promote our economic ties, business communities must develop greater interaction and business-to-business contacts. Private sector partnerships must be the new cementing force in our relations. Greater facilitation of business travel will help in this regard.

Our two growing economies also offer considerable scope for cooperation in energy, information technology and biotechnology and high technology commerce. Along with trade, these sectors must supplement the excellent cooperation we enjoy in the political, strategic and defence spheres. I therefore welcome the various documents signed during this visit. Two of these are related to the implementation of cooperation in respect of the Global satellite navigation system [GLONASS]. Some of our banks are also entering into agreements to work together.

We have noted that energy security is one of the principal themes of the G-8 Summit to be chaired by Russia this year. I have accepted with

pleasure President Putin's invitation to attend the G-8 Summit being hosted by Russia in St. Petersburg in July this year. In this context, we envision a substantial increase in the share of nuclear energy in India's overall energy mix. We see the Kudankulam project as a flagship of our cooperation in this area. I am confident that both countries will utilize opportunities to expand our partnership in civil nuclear energy cooperation. In this context, I would also like to convey our warm appreciation to the Russian Government for responding positively to meet the requirements for nuclear fuel supplies to Tarapur I and II.

We look forward to working closely, bilaterally and multilaterally, with Russia. Ours is a strategic partnership based on trust, confidence and abiding convergence of national interests. Russia is a tried and tested friend. The steady development of our bilateral ties is a matter of great satisfaction to our Government and to me personally. In conclusion, I take this opportunity to convey through you Mr. Prime Minister our warm friendship to the friendly people of Russia. I now invite you Mr. Prime Minister to offer your comments, after which we can answer a couple of questions.

Mr. Mikhail Fradkov: Thank you, Mr. Prime Minister, for the high evaluation of the situation in our relations and the prospects of their development. I would also like to thank you for the kind words addressed to the people and Government of the Russian federation.

The visit is a success. The visit is very substantial on the subjects which we are discussing and the volume of our cooperation both bilaterally in areas which unite our two countries and multilaterally. I would like to point out the high intensity of contacts between our two countries at all levels and in particular the contacts at the highest level.

With particular interest we have discussed during our visit issues pertaining to trade and economic relations. We are trying to find answers and we are trying to adopt practical steps to make tangible improvements in our strategic partnership and to not leave gap between a very good political interaction and some lacunae and in trade and economic terms.

A month ago there was a visit to India by the Russian Minister of Economic Development and Trade who was accompanied by the representatives of the Russian business communities. Together with Indian colleagues and partners they laid down an Action Plan and they set up a special Russia-India Business Council. This Business Council is starting to function these days.

I brought with me to India business people and representatives of the business communities from the Russian Federation. Yesterday we had a meeting with the business communities of India. The meeting was very interesting, it was a good dialogue.

We have set a task to build up an efficient business-to-business interaction. My role and that of distinguished Prime Minister, as we see it, is to create prerequisites for this development. Hopefully, we can find answers to the issues which remain unresolved because the motivation between us is very serious. We are trying to look to the future and to bring our relations to the level required by the economic situation. Actually we work in a complementary manner and we can use resources available for the interest of both our people. To this end we are trying to overcome the kind of inertia which is characteristic of our trade and investment relations now. In this context we are discussing specific issues and we are striving to address them.

In conclusion I would like to say that we have promising prospects in the development of our trade and economic relations. I would also like to express my gratitude to the Prime Minister of India for his friendliness and hospitality which we saw during our visit to India.

Thank you.

Question (Russian Media): Good afternoon. I represent here the Russian State Television Company. My question is addressed to the Prime Minister of India. If possible, I would also like to know the opinion of the Prime Minister of the Russian Federation.

Recently we have heard a lot about the construction of the gas pipeline among Iran, Pakistan and India. I know that this project is practically agreed upon. But I would like to ask the Prime Minister of India at what stage is this project and how it will evolve? How do you see the role of Russia in this project?

Dr. Manmohan Singh: India is desperately short of hydrocarbon resources and, therefore, we are interested in entering into bilateral as well as trilateral arrangements which would help us to fill the yawning energy gap which is basic for our accelerated development. It is in that context that we have welcomed the proposal to have a pipeline which links together Iran, Pakistan and India. As far as Russia's involvement, Russia has a great deal of experience in building pipelines. So, I do hope that ways and means can be found to involve Russia also in the construction of the pipeline.

Mr. Mikhail Fradkov: *I would like to say that the cooperation between Russia and India in the gas sector is evolving. The Gazprom is here. Some affiliates of Gazprom are also working in the Indian market place such as Stroytransgaz. We are exploring the opportunities off the sea shelf of Bay of Bengal. We have ample experience in constructing pipelines. So, we need to utilize and to tap this potential. If there are suggestions we will consider it thoroughly.*

Question (Mr. V. Mohan Narayan, Press Trust of India): The Prime Minister has spoken about greater facilitation for business travel. Indian businessmen are continuing to complain about difficulties in getting visas expeditiously. Are you considering any mechanism by which there can be fast-track issuance of business and tourist visas? The question is to Mr. Fradkov.

Mr. Mikhail Fradkov: *We reaffirm our readiness to address this issue. But I believe that this issue should be addressed in a comprehensive manner so as to prevent illegal migration and any breaches in law and order. Therefore, I believe this agreement should be considered as a package, with the readmission agreement. I got several remarks from representatives of Indian enterprises. They told me that sometimes they encounter problems with visa issuance and they also face problems as far as passport controls are concerned because too many formalities apply to them. So, when I am back in Moscow I will give appropriate instructions so that we can establish due norms and procedures which won't be violated, I mean these procedures will concern individuals.*

Question (Russian Media): My first question is addressed to Prime Minister Fradkov. You told us that the level of political relations does not correspond to the level of the economic ties between the two countries. How do you view the avenues of addressing this problem; and, could you enumerate several big projects which are being carried out between Russia and India?

My second question is addressed to both Prime Ministers, and primarily to Prime Minister Singh. This question pertains to the issue of rupee debt which is a kind of an impediment on the way to development of our relations. Can we use this rupee debt in investment; and can you also name some concrete projects, some specific projects where they can be allocated?

Mr. Mikhail Fradkov: *We cannot be satisfied with what is exported from Russia and from India. From Russia we export to India ferrous, nonferrous fertilizers and newsprint, whereas from India tea, coffee, tobacco, textiles and*

some other traditional products. All this narrows the list of goods between our countries and in a way impoverishes the development of economic relations. Therefore, we are planning to do our utmost to increase the participation of our businessmen in this project. One of the proposals that hopes to settle the rupee debt is the following. Together with the investment which will increase the level of economic cooperation, there is also a suggestion to enlarge the list of goods which will also make it possible to increase our economic cooperation. As soon as the agreement about exchanging letters is signed, we can go on and start implementing a number of very interesting investment projects. I mean here some joint ventures such as joint venture in the area of aircraft service facility. Russia can also purchase a mobile operator in India. We can contribute in the building of airports, roads and so on. It is quite evident that our cooperation in space and nuclear energy opens up new opportunities. For instance I can mention here the IT area where India has a great potential. Technoparks is Indian forte. It has accrued a great experience here. And Russia is very experienced and can contribute in free trade zones. We also take due note of enterprises which were constructed with the help of the former Soviet Union and which need to be modernized. I think we can cooperate and we can work in this area as well.

Dr. Manmohan Singh: I think I do not have to elaborate on what Prime Minister has said. I entirely endorse what he has said that there are immense possibilities that we can give a big boost to our economic cooperation. And I sincerely hope that the Joint Study Group which has been set up will come up with imaginative solutions to realize the immense potential of widening and deepening of the economic relations between our two countries.

As regards the use of the rupee-rouble debt, we are exploring ways and means to find practical solutions in which these funds can be used to promote in Russian investments in India. There were large number of sectors where this scope exists. I do not have to mention infrastructure, the traditional sectors like - power, coal or steel. Prime Minister also mentioned many new sectors, information technology, telecom, nanotechnology. In all these areas there is immense scope for promoting cooperation between Russian enterprise and Indian enterprise.

(The portion in italics is simultaneously translated from Russian at the Press Conference.)

498. Interview of Foreign Secretary Shyam Saran with Vladimir Skosynrev of “Nezavisimaya Gazeta”, Moscow.

May 31, 2006.

Question: What discussions did you have in Moscow?

Foreign Secretary: I would be having talks tomorrow with the Russian Sherpa for the St. Petersburg G-8 Summit. The Coordinators from the other Outreach countries invited to the Summit would also be participating in the discussions. The meeting would be in preparation for the Summit.

Question: What results does India expect to get from the Summit?

Foreign Secretary: The Russian Federation has identified three major themes for the St. Petersburg Summit viz energy security, education and the fight against infectious diseases. All three subjects are of great interest to India.

With regard to energy security, we expect a balanced outcome that would reflect the interests of both producers and consumers. There is a need to think of ways to enhance stability and predictability of the energy market. From the Indian perspective, diversification of the energy mix and moving away from dependence on fossil fuel is important. This will involve a greater share for hydro energy, nuclear energy and renewables. Cooperation between the G-8 and major developing countries could also be useful for the development of newer and cleaner sources of energy.

There is a need for a global effort to bring about complete literacy in developing countries, as also an upgradation of skills. There was also a need to find resources to achieve the goals of Education for All.

In health, the major challenges are HIV/AIDS, tuberculosis and malaria, besides new and emerging diseases such as avian flu. These challenges could be dealt effectively only through close cooperation among the major countries, including large developing countries. There is also a need to develop effective early warning systems for infectious diseases.

We also expect that St. Petersburg Summit would result in a strong statement against international terrorism that would reaffirm the commitment of countries to work together to eliminate this major threat to international peace and security.

Question: In what format would India participate in the St. Petersburg Summit?

Foreign Secretary: My understanding is that one morning session and a working lunch would be set aside for an informal exchange of views between the Leaders of the G-8 and the outreach countries.

Question: Does India intend to become a 'regular' member of this group of industrialized countries?

Foreign Secretary: At the moment India is a special invitee. It is difficult to speak of the future, but India would wait and see how things evolved.

Question: The US Vice-President says that Russia is moving away from democracy and using energy to pressurize other countries?

Foreign Secretary: India does not comment on bilateral relationships of other countries or their internal affairs. With Russia particularly, India has a long-standing relationship based on mutual respect. The basis of our relations with Russia is not its political system. However, we welcomed the establishment of democracy in Russia and the two countries have a shared respect for democratic values and institutions.

Question: There has been a lot of polemics between the Russian and the US Leaders?

Foreign Secretary: We have always advocated that there be constructive relationships between the major countries. Good relations between Russia and the United States are also good for the world as a whole. India's relations with the Russian Federation stand on their own merit and are not influenced by Russia's relations with any third country. This has always been the case and will continue to be so.

Question: What would the Indian Prime Minister discuss in his bilateral meeting with president Putin?

Foreign Secretary: It would really be for the two Leaders to decide. The relationship covers a broad range and is expanding further. The relations include cooperation in economic, commercial, defence and scientific fields. One could expect that the leaders would discuss ways to further strengthen bilateral cooperation. Relations between the two countries are also characterized by mutual trust and confidence. Both countries value the perspectives of the other, with regard to regional and international

developments. Prime Minister would welcome the opportunity to discuss recent developments with President Putin.

Question: Is there any one topic for the bilateral meeting?

Foreign Secretary: The Leaders would determine their own agenda. There is a great deal for them to discuss together.

Question: Would your Prime Minister meet the Leaders of the United States and China as well?

Foreign Secretary: We do not know if there would be time for bilateral meetings with all leaders. We have very good relations with both China and the United States. If there is occasion for the leaders to meet, they will discuss ways to strengthen the bilateral relationships and review regional and international developments.

India is an Observer in the Shanghai Cooperation Organisation. It would be natural to discuss with China the ways for taking forward this relationship. India, China and Russia also cooperate with each other in a trilateral framework. This, also, could be an important subject for discussion.

We have established a wide ranging relationship with the United States. This covers cooperation in the energy sector, including nuclear energy. India and the United States have established a Science Commission and a Joint Initiative on Agriculture. Bilaterally, a number of major developments have taken place. This could be the subject of discussions, besides emerging regional and international issues.

Question: There are reports that the ratification of the India – US Agreement on Nuclear Energy is stalled in the Congress. When can ratification be expected?

Foreign Secretary: No ratification is being contemplated. The Administration has put forward proposals for legislative changes. This is presently being debated in Congress. The expectation is it would be passed at an early date. This would allow civilian nuclear cooperation with India to be operationalized. We expect that this would be sooner rather than later. We are not aware of any reason for the legislation to be stalled. It would, however, be natural that there is debate in a democracy.

Question: If the legislation is passed, how would it affect cooperation between India and Russia in the nuclear field?

Foreign Secretary: After legislation is passed in the US Congress and NSG guidelines are amended, the nuclear energy market would be open to all partners, including Russia.

Question: What is India's position on Iran's nuclear programme?

Foreign Secretary: India has, throughout, said that Iran has the right to develop civilian nuclear energy consistent with the international commitments and obligations that it has undertaken. Certain questions have been raised about Iran's nuclear programme. These questions should be clarified through Iran's cooperation with the IAEA. We have also advocated that all issues should be settled through dialogue. Confrontation should be avoided. India would like to see maximum diplomatic effort being exerted for an amicable resolution. We welcome, in this context, the positive role being played by Russia.

{Note: This is an informal transcript of the interview}

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499. Joint Press Statement issued at the end of the meeting of the India - Russia Joint Working Group on Combating International Terrorism.

New Delhi, October 24, 2006.

1. The fourth meeting of the India-Russia Joint Working Group on Combating International Terrorism was held in New Delhi on October 24, 2006. The Indian delegation was led by Mr K. C. Singh, Additional Secretary (International Organisations) and Counter-Terrorism Coordinator in the Ministry of External Affairs, Government of India. The Russian delegation was led by Mr Anatoly Safonov, Special Representative of the President of the Russian Federation for International Cooperation in the Fight against Terrorism and Transnational Crime. Both delegations included representatives of relative Ministries and agencies.
2. The negotiations were held in the atmosphere of trust, frankness and mutual understanding. The two sides shared concern on cross border terrorism and emphasized the importance of actions by all States to deny safe heaven to terrorists. They stressed the necessity

to take more efficient measures on preventing the propagation of terrorism, including in the Cyberspace. The importance of broader dialogue among cultures and civilisations to counter divisiveness, on which terrorists thrive, was underlined. In this context the two sides called for unconditional implementation of the UNSC Resolution 1624 on fighting incitement to terrorism.

3. The Russian and Indian delegations reiterated that cooperation in combating terrorism constitutes an important part of strategic partnership between the two countries. They unequivocally condemned terrorism in all its forms and manifestations and reiterated their commitment to further strengthen counter-terrorism cooperation.
4. The two sides expressed their concern regarding the increase in the spread of narcotics in the region and agreed that this directly threatens the security of both countries. They stressed the need to consolidate bilateral mechanisms for sharing information in curbing drug-trafficking. They shared concern over the financing of terrorism noting that its prevention is the key component in the counter-terrorism strategy and agreed to strengthen bilateral interaction in this field.
5. The two sides agreed to enhance cooperation in the international fora, especially in suppressing WMD terrorism. In this regard they noted that early entry into force of the International Convention on Suppression of Acts of Nuclear Terrorism (ICSANT) would facilitate this objective. They stressed the need to further improve the legal framework for the fight against terrorism. The two sides also urged the early finalization of the Comprehensive Convention on International Terrorism (CCIT) at the UN.
6. Issues of regional antiterrorist cooperation were reviewed. It was noted that India-Russia partnership within the SCO and ASEAN Regional Forum must be enhanced, including in eliminating new threats and challenges in Central, South and South-East Asia.
7. The sides also discussed the emerging threat to oil and gas installations from terrorists and agreed to exchange experiences to counter it, underscoring energy security as a vital component of national and international counter-terrorism strategies.
8. Both sides agreed to hold the next session of the India-Russia Joint Working Group on Counter-Terrorism in the second half of 2007.

500. Joint Press Interaction by External Affairs Minister Pranab Mukherjee and Foreign Minister of the Russian Federation Sergei Lavrov.

New Delhi, November 17, 2006.

EXTERNAL AFFAIRS MINISTER (SHRI PRANAB MUKHERJEE):

I am delighted, once again, to extend a very warm welcome to my good friend, Foreign Minister Lavrov. We are happy to see you in Delhi, Mr. Minister, especially so soon after our earlier meeting in New York in September this year. It is a personal privilege for me to count on you as a friend and a colleague to work with in the future.

The strategic partnership between India and Russia is based on trust, confidence and the abiding convergence of our national interests. The intensity of our bilateral interaction reflects the closeness of our cooperation at various levels. The Government of India is committed to further strengthening the strategic and time tested partnership with the Russian Federation. We believe that strong relations between India and Russia have been a factor in promoting peace, security and stability, and global efforts against terrorism and narco-trafficking.

Mr. Minister, we share your vision of a future in which India and Russia are closely linked to each other through economic, commercial and technological cooperation. Our talks today have been productive. We have covered important sectors of bilateral cooperation and reviewed key areas such as trade and economy, defence, energy, science and technology and space.

I am happy to note that we have covered some ground in our quest to give effect to our plans for strengthening bilateral trade and investment. We have concluded this year the bilateral protocol for the entry of the Russian Federation into the World Trade Organization. A Joint Study Group is working to identify measures required to enhance trade between our two countries. We look forward to the report of the Study Group. We would also like to upgrade private sector interaction through the mechanism of the Joint Trade and Investment Forum, which is expected to meet shortly.

Our excellent political relations need to be reflected in the development of bilateral trade and the enhancement of the economic aspects of our strategic partnership. Our two steadily growing economies offer considerable potential in a host of areas such as energy, information

technology, biotechnology and joint investments. In the key area of defence, we see mutual benefit in collaborating in joint design and development. While we explore, at the inter-governmental level, ways to promote our economic ties, the business communities also need to come closer through greater exchanges and business to business contacts. Towards this end, business travel would need to be encouraged and facilitated.

During its chairmanship of the G-8, Russia has identified energy security as an area of primary concern. We hope this global focus will also yield bilateral dividends. We view the Russian Federation as an important partner in our quest for sustainable sources of energy, and are prepared to work with Russia to enhance our current level of cooperation, particularly in the field of nuclear energy. We envision on a substantial increase in the share of nuclear energy in India's overall energy mix to meet the demands of our economic growth. Cooperation in this field would, we feel, further strengthen the strategic nature of our relationship.

May I now invite you, Mr. Minister, to offer your comments, after which we have a few minutes to answer a question or two posed by our friends from the media.

RUSSIAN FOREIGN MINISTER (MR. SERGEI LAVROV): *Thank you Mr. Minister for a cordial welcome and for quite substantive talks which were aimed at efficient preparation for the upcoming January visit of the President.*

Russian leadership holds in high regard the strategic relationship with great India, our old friend and partner with whom we have a duty for development of cooperation for this relationship.

This partnership has been given a new impetus over the last twelve months, initially during the December visit of the Prime Minister of India to Moscow, and then in terms of the meetings on the margin of the July summit of G8 countries in St. Petersburg.

As a follow through of those ideas and agreements reached at the top level, the concerned agencies have been working on the important comprehensive set of documents which will cover the joint effort in trade and economy, interaction between countries, and also to cover specific projects of interaction in such areas as energy, new technology, and research in other areas to the benefit of both countries. Such things as (cooperation in) peaceful atom (uses of nuclear energy) and telecommunications will also be evolved.

I am sure that our plans and concepts will in fact be shored up greatly by the announcement of 'Year of India in Russia' and 'Year of Russia in India' to follow.

In addition to bilateral matters, we have also tackled regional and international matters.

In furtherance of the trilateral summit which was held in July in St. Petersburg between India, Russia and China, we have agreed to continue these meetings at the level of Foreign Ministers with the participation of Foreign Minister of China. We are very grateful to the Indian side for extending an invitation and to be the venue to host this upcoming trilateral Foreign Ministerial meeting.

We also find it useful to develop our contacts in the BRIC format that is to include Brazil as well.

As regards international matters, today we have discussed in detail the most acute and pertinent problems of today such as those pertaining to Iraq, Afghanistan, and Middle-East settlement as a whole. On all these issues we have found common ground with my colleague and friend. That boils down to the need to go in for a quest for settlement on the basis of a peaceful solution with the immediate involvement of all parties concerned and certainly with no attempts to be ... (Unclear)... to make it possible to sideline some of the players involved.

We are also satisfied with the need to go in for peaceful solution of such problems as related to the peaceful settlement on the Korean peninsula and therefore, we expressed satisfaction with the announced resumption of six-party talks on the Korean peninsula settlement as well as concerning the peaceful solution with regard to the problems of Korean nuclear problem.

Both Russia and India are interested in seeing to it that Central Asia retain its stability and does not become the field of interaction of extremists of all sorts and colours.

We agreed to jointly promote the furtherance of stability in Central Asia, among other things, through the mechanism of Shanghai Cooperation Organization.

So we hail the participation of India as an observer member of SCO in various practical projects which are carried out under the auspices of

that organization including such formats as the Business Council, as the Banking Community and as the newly emerging energy ... (Unclear)...

Today we have also agreed on the comprehensive and all-round agenda for inter-agency consultations on the basis of the Ministry of Foreign Affairs regarding the whole spectrum of bilateral issues and the international agenda to be tackled with our interaction in all the international fora, be it within the framework of India-specific and more globally at the level of United Nations putting an emphasis on the leading role of the United Nations Organization in dealing with all those international matters.

Thank you. (As interpreted by Russian Interpreter)

QUESTION (ITARTASS): This question is addressed to the Foreign Minister of India. With regard to the visit of the Minister of Foreign Affairs of Iran to your country, what was the subject of discussion there? Was the question of nuclear programme of Iran tackled during his talks? My second question is addressed to the Minister of Foreign Affairs of Russia Sergei Lavrov. This is concerning the draft resolution on Iran of the Security Council of the United Nations. What is the current status? Were the proposals to amend this draft resolution and Russian amendments taken into account? What is the essence of those amendments?

EXTERNAL AFFAIRS MINISTER: My response to the question is, I had discussions with the Iranian Foreign Minister in respect of the nuclear programme. Our position in this respect is already known. We do believe Iran has the right to pursue its nuclear programme for peaceful civilian use. But as a signatory to NPT it has certain obligations to carry conviction with international community and IAEA that it is being pursued for the peaceful purposes. We also shared our views with the visiting Russian Foreign Minister Mr. Lavrov and we shared that all possible means to resolve the issue in a peaceful manner through dialogue and negotiation should be attempted. Coercion and application of force is not the answer to resolve the issues.

RUSSIAN FOREIGN MINISTER: With regard to the question posed to me, from the very beginning, the sole understanding was attained to the effect that the Security Council of the United Nations should be dealing with the matters concerning the problems and questions still on the table on the part of IAEA, these are the Iranian nuclear programme, and to get the clarification of this matter first. That is to say, the role of the Security Council is precisely to help but not to replace the IAEA in the process. In a similar manner, from the very beginning we agreed that with the good

offices of the Security Council we would be in the business of helping attaining that goal rather than punishing Iran. So, in very strict conformity with those agreements reached, we have been trying from the beginning to help with the IAEA apparatus to bring the matter to negotiating table rather than to block the roads and pathways for the possibility of pursuing those talks.

QUESTION (TIMES NOW): Question for the Indian Foreign Minister. The Indo-US nuclear deal cleared the Senate today. In reference to that I wanted to ask, keeping in mind India's energy requirements over the next decade, how will it help? Secondly, what concerns do you still have regarding the Bill and the reconciliation? Also, how are we going to react as far as the 1-2-3 agreement is concerned.

EXTERNAL AFFAIRS MINISTER: In fact we have welcomed the Bill passed by the Senate and we also appreciate the special efforts made by President Bush and Secretary of State Condoleezza Rice on behalf of the Administration to ensure that the Bill receives the support. The massive support the Bill received clearly indicates a strong bipartisan support in favour of this agreement. But the legislative process is not yet complete. The reconciliation process, which will start in the reconciliation conference sometimes in early December, will give the final shape to the Bill after which it will be voted. We shall have to ensure that the final text of the Bill is in conformity with the parameters laid down in the July (2005) statement of the Prime Minister and President Bush, and also the Separation Plan which was placed in the Parliament in March, 2006.

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501. Press Release of the Ministry of External Affairs on the 12th Meeting of the Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation.

New Delhi, December 8, 2006.

The Twelfth Meeting of the Indo-Russian Inter-Governmental Commission [IRIGC] on Trade, Economic, Scientific, Technological and Cultural Cooperation was held in New Delhi on 8th December, 2006. Hon'ble Minister of External Affairs is Co-Chairman of the Joint Commission and led the Indian delegation at the talks. The Russian delegation was led by H.E. Mr. Alexander Zhukov, Deputy Chairman of the Government of the Russian

Federation. Discussions were held in a warm and friendly atmosphere traditionally associated with relations between India and Russia.

Mr. Zhukov had a detailed exchange of views with the Hon'ble Minister of External Affairs in a restricted format and separate delegation level talks were held. He called on the Hon'ble President of the Republic of India and interacted with representatives of industry and business at a lunch organized by the Federation of Indian Chambers of Commerce and Industry.

There are five Working Groups under the auspices of the Joint Commission: (a) on Trade and Economic Cooperation; (b) on Mines and Metallurgy; (c) on Technologies; (d) on Energy; and (e) on Culture and Tourism. These groups have met earlier and have finalized detailed areas of cooperation. A protocol relating to the deliberations during the visit of Mr. Zhukov and the understanding reached at the five Joint Working Groups was signed highlighting the areas which need to be attended to further intensify the process of economic and commercial cooperation between the two countries.

It may be recalled that there has been extensive interaction at the highest levels since the last meeting of the Joint Commission in October, 2005 in Moscow. Prime Minister Dr. Manmohan Singh visited Russia in December, 2005 for bilateral summit meetings and participated in the meetings among G8 and outreach countries in Saint Petersburg in July 2006. Prime Minister Mikhail Fradkov visited India in March, 2006.

India and Russia have set up a Joint Study Group (JSG) to provide a road map to raise bilateral trade and study the feasibility of a Comprehensive Economic Cooperation Agreement [CECA] between the two countries and the JSG has had two meetings so far. An Indo-Russian Forum on Trade and Investment has also been set up. This Forum is expected to meet in February, 2007 in New Delhi with wide participation of business representatives.

H.E. Mr. Zukhov is accompanied by Mrs. Zukhova and would be visiting Khajuraho and Mumbai on 9-10 December 2006. In Mumbai he is expected to interact with prominent representatives of business and industry.

SPAIN

502. Joint Statement on the occasion of the visit of the President of the Government of Spain.

New Delhi, July 3, 2006.

Prime Minister of India Dr. Manmohan Singh and President of the Government of Spain Jose Luis Rodriguez Zapatero today re-affirmed their commitment to further enhancing and strengthening relations between the two countries.

The two sides agreed to institutionalize the process of political dialogue at various levels, commensurate with the expanding bilateral relationship. They will also intensify consultations and cooperation in international organizations and other multilateral fora, with a view to jointly addressing global challenges.

Economic and trade relations between India and Spain have flourished in recent years. The two Governments agreed to work actively together to realize the full potential of economic linkages between the rapidly growing Indian and Spanish economies. They agreed to make all efforts to expand bilateral trade and the volume of two-way investments and joint ventures in each other's countries. The two sides would also work towards forging business partnerships in the following priority sectors: energy, tourism, food processing, automobiles, environment, information technology and infrastructure.

They agreed to work towards closer cooperation in the defense sector, including the possibility of joint research and development.

The two sides expressed satisfaction at the increasing cultural exchanges between the two countries. Both sides look forward to the inauguration of the Casa de la India building in the City of Valladolid in Spain in November 2006 and to the next civil society dialogue under the aegis of Casa Asia and Indian Council of World Affairs, scheduled to be held in India in October 2006.

The two sides agreed to further promote cultural and academic exchanges between the two countries and expressed their willingness to support and facilitate the increase in the number of Spanish lecturers in Indian Universities in the following years and took note with satisfaction of the announced opening of a Cervantes Institute in New Delhi in 2007.

The two sides recognize the importance of establishing direct air links in strengthening tourism, economic, political and people-to-people relations between India and Spain. In this context, both Heads of Government agreed that their respective Civil Aviation Authorities will renegotiate the existing bilateral Air Services Agreement within three months.

The two sides will also work towards facilitating the movement of businesspersons, professionals and tourists, as well as students and academics between the two countries. Both sides took note with satisfaction of the proposed opening in 2007 of a Consulate General in Mumbai (which will include a Trade Office), as well as a Tourism Office.

The two sides agreed to strengthen cooperation in science and technology through building a close network of linkages between the institutions of the two countries.

Recalling the Outcome Document adopted by the 2005 World Summit, both Heads of Government reaffirmed the vital importance of an effective multilateral system, in accordance with international law, to better address the multifaceted and interconnected global challenges and threats and to achieve progress in the areas of peace and security, development and human rights. They expressed their firm support for the work of the United Nations as a fundamental framework for multilateralism and agreed on the urgent need for a comprehensive reform of the United Nations to enable it to address today's challenges more effectively. The two leaders reiterated their commitment to continue their active and constructive role in the ongoing process of UN reform.

The two leaders reiterated their strong condemnation of terrorism, in all its forms and manifestations, constituting as it does a criminal and unjustifiable act and one of the most serious threats to international peace and security. They recalled the Joint Declaration made by the two countries in 1993 on cooperation in combating terrorism, drug trafficking and organized crime. Both Heads of Government recognized the need to extend support and solidarity to the victims of terrorism, as well as to the development of appropriate international mechanisms to this end, and agreed to further strengthen cooperation at bilateral and multilateral levels. They called upon the member states of the UN to make further concerted efforts to conclude the comprehensive Convention on International Terrorism, as well as the adoption of a global strategy against terrorism at

an early date. They also agreed to continue to constructively contribute to the discussions at the UN aimed at adopting and implementing a global strategy against terrorism. These measures will further strengthen the moral, political and legal authority of the UN and international community, as well as the operational tools to fight this scourge in all its aspects.

India and Spain expressed their firm support for the Alliance of Civilizations initiative. Both Governments await with interest the Action Plan that the High Level Group will be submitting to the Secretary General before the end of the year and declare themselves willing to explore, once its contents are known, possible ways of collaborating to jointly support the implementation of the ensuing recommendations.

They further reaffirmed the importance of the Strategic Partnership between India and the European Union and agreed to work together in further enhancing ties through the implementation of the comprehensive Joint Action Plan.

A number of agreements and MoUs were signed during the visit. These include:

- MoU on Institutionalisation of Political Dialogue
- Mutual Legal Assistance Treaty on Criminal Matters
- MoU between Technology Development Board (TDB) and Centre for Development of Industrial Technology (CDTI)

The two sides are also actively pursuing cooperation in a number of other areas such as Science and Technology, Information Technology, Film Production, Tourism and Environmental Issues, where agreements and MOUs are under finalisation.

The Agreements and MOUs signed today reflect the growing bilateral interaction between India and Spain and will provide significant impetus to realizing the full potential of the relationship between the two countries.

503. Agreement between the Republic of India and the Kingdom of Spain on Mutual Legal Assistance in Criminal Matters.

New Delhi, July 3, 2006.

The Republic of India and the Kingdom of Spain (hereinafter referred to as Contracting Parties);

Guided by the traditional friendly relations between the two countries;

Recognising the need to facilitate the widest measures of mutual assistance in criminal matters;

Desiring to improve the effectiveness of both countries in the investigation, .prosecution and suppression of crime, including crime related to terrorism and tracing, restraint, forfeiture or confiscation of the proceeds and instruments of crime, through cooperation and mutual legal assistance in criminal matters;

Have agreed as follows:

ARTICLE 1

Scope of application

1. Under this Agreement, the Contracting Parties shall grant each other the widest measure of mutual legal assistance in criminal matters.
2. For the purpose of this Agreement mutual legal assistance shall be granted irrespective of whether the assistance is sought or to be provided initially by a judicial authority or any other authority, if ultimately such a request or grant is issued by a judicial authority.
3. This Agreement shall be without prejudice to other obligations between the Parties pursuant to other treaties or arrangements or otherwise, and shall not prevent the Parties or their law enforcement agencies from providing assistance to each other pursuant to other treaties or arrangements.
4. This Agreement shall also apply to any requests for mutual legal assistance relating to acts or omissions committed before its entry into force.

ARTICLE 2
Definitions and Scope of the Assistance

1. Criminal matters mean, legal proceedings relating to investigations, inquiries or trials of the offences created by the law, including the fiscal crimes.
2. **Assistance shall include :**
 - i. measures to locate, restrain, forfeit or confiscate the proceeds and instruments of crime;
 - ii. taking of evidence and obtaining of statements of persons;
 - iii. providing of information, documents and other records, including criminal and judicial records;
 - iv. location of persons and objects, including their identification;
 - v. search of persons and places and seizure of assets and documents;
 - vi. delivery of property, including lending of exhibits;
 - vii. making detained persons and others available to give evidence or assist investigations;
 - viii. service of documents, including documents seeking the attendance of persons; and
 - ix. any other assistance consistent with the objects of this agreement.
3. **For the purpose of this agreement:**
 - a. “proceeds of crime’ means any property that is derived or realized directly or indirectly by any persons from an offence or offences or the value of any such property;
 - b. “property” includes money and all kinds of movable or immovable, tangible or intangible property, and includes any interest in such property;
 - c. “confiscation” means any measure resulting in the deprivation of property;
 - d. “instruments of crime” means any property which is, or is intended to be, used in connection with the commission of an offence; and
 - e. “the restraint of property” means any measure for the prevention of dealing in or transfer or disposal of property.

ARTICLE 3

Central Authorities

1. Requests for assistance under this Agreement shall be made through the Central Authorities of the Contracting Parties.
2. In the Republic of India the Central Authority is the Ministry of Home Affairs. In the Kingdom of Spain, the Central Authority shall be the Ministry of Justice.

ARTICLE 4

Form and Contents of Requests

1. Requests for assistance under this Agreement shall be made in writing. The requests may be made in advance by fax, e-mail or other equivalent mode, due to be confirmed by original document signed by the Requesting State within following thirty days of their formulation.
2. Requests for assistance shall include a statement of:
 - a. the name of the competent authority conducting the investigation or proceedings to which the request relates;
 - b. the matters, including the relevant facts and laws, to which the investigation or proceedings relates;
 - c. the purpose for which the request is made and the nature of the assistance sought;
 - d. details of any particular procedure or requirement that the Requesting Party wishes to be followed;
 - e. any time limit within which compliance with the request is desired;
 - f. the identity, nationality and location of the person or persons who are the subject of the investigation or proceedings;
 - g. in the case of requests for the taking of evidence or search and seizure, a statement indicating the basis for belief that evidence may be found in the jurisdiction of the Requested Party;
 - h. in the case of requests to take evidence from a person, the text of the questionnaire and the description of the method by which it should be done;

- i. in the case of lending of exhibits, the person or class of persons who will have custody of the exhibit, the place to which the exhibit is to be removed, any tests to be conducted and the date by which the exhibit will be returned;
 - j. in the case of making detained persons available, the person or the authority who will have custody during the transfer, the place to which the detained person is to be transferred and the date of the person's return;
 - k. the need, if any, for confidentiality and the reasons therefor; and
 - l. in the case of requests for restraint or forfeiture of proceeds or instruments of crime, where possible:
 - i) a detailed description of the proceeds or instruments including their location;
 - ii) a statement describing the basis for belief that the monies or property are the proceeds or instruments of crime; and
 - iii) a statement describing the evidence that would be available for a proceeding in the Requested Party.
3. The Requested Party shall not refuse to execute the request solely because it does not include all of the information described under this article if it can otherwise be executed according to the law of the Requested Party.
4. If the Requested Party considers that additional information is needed to enable the request to be dealt with, that Party may request such additional information.

ARTICLE 5

Execution of Request

1. Requests for assistance shall be executed in accordance with the law of the Requested Party and may be executed in accordance with any requirements or manner specified in the request if not incompatible with the law of the Requested Party.
2. The Requested Party shall, upon request, inform the Requesting Party of any circumstances which are likely to cause a significant delay in execution of the request.

3. The Requested Party shall promptly inform the Requesting Party of a decision of the Requested Party not to comply in whole or in part with a request for assistance, or to postpone execution and shall give reasons for that decision.

ARTICLE 6

Refusal of assistance

1. The Requested Party may refuse the assistance if:
 - (a) the execution of the request would impair its sovereignty, security, public order or other essential interests;
 - (b) the execution of the request would be contrary to the domestic law of the Requested Party;
 - (c) if the request seeking restraint forfeiture or confiscation of proceeds or instruments of activity which, had it occurred within the jurisdiction of the Requested Party, would not have been an activity in respect of which a confiscation order could have been made; and
 - (d) the request relates to an offence in respect of which the accused person had been finally acquitted. However, the Requested Party shall provide information as may be required to establish that the accused has been finally acquitted.
2. Before refusing to grant a request for assistance, the Requested Party shall consider whether assistance may be granted subject to such conditions as it deems necessary. If the Requesting Party accepts assistance subject to conditions, it shall comply with them.

ARTICLE 7

Transmission of Documents and Objects

1. When the request for assistance concerns the transmission of records and documents, the Requested Party may transmit certified true copies thereof, unless the Requesting Party expressly requests the originals.
2. The original records or documents and the objects transmitted to the Requesting Party shall be returned to the Requested Party as soon as possible, upon the latter's request.
3. Insofar as not prohibited by the law of the Requested Party, documents, objects and records shall be transmitted in a form or

accompanied by such certification as may be requested by the Requesting Party in order to make them admissible according to the law of the Requesting Party.

ARTICLE 8

Taking evidence in the Requested Party

1. A person, including a person in custody, requested to testify and produce documents, records or other articles in the Requested Party may be compelled by subpoena or order to appear and testify; and produce such documents, records and other articles, in accordance with the law of the Requested Party.
2. Subject to the law of the Requested Party, commissioners, other officials of the Requesting Party and persons concerned in the proceedings in the Requesting Party shall be permitted to be present when evidence is taken in the Requested Party and to participate in the taking of such evidence.
3. Subject to the law of the Requested Party, the right to participate in the taking of evidence includes the right of counsel present to pose questions. The persons present at the execution of a request may be permitted to make a verbatim transcript of the proceedings. The use of technical means to make such a verbatim transcript may be permitted.

ARTICLE 9

Availability of Persons to Give Evidence or Assist in Investigation in the Requesting Party

1. The Requesting Party may request that a person be made available to testify or to assist in an investigation.
2. The Requested Party shall invite the person to assist in the investigation or to appear as a witness in the proceedings and seek that person's concurrence thereto. That person shall be informed of any expenses and allowances payable.

ARTICLE 10

Making Detained Persons Available to give Evidence or Assist in Investigations

1. A person in custody in the Requested Party shall, at the request of the Requesting Party, be temporarily transferred to the Requesting

Party to assist in investigations or proceedings, provided that the person consents to that transfer and there are no overriding grounds against transferring the person.

2. Where the person transferred is required to be kept in custody under the law of the Requested Party, the Requesting Party shall hold that person in custody and shall return the person in custody at the conclusion of the execution of the request.
3. Where the sentence imposed expires, or where the Requested Party advises the Requesting Party that the transferred person is no longer required to be held in custody, that person shall be set at liberty and be treated as person present in the Requesting Party pursuant to a request seeking that person's attendance.

ARTICLE 11

Safe conduct and Immunity

1. A person present in the Requesting Party in response to a request seeking that person's attendance shall not be prosecuted, detained or subjected to any other restriction of personal liberty in the territory of that Party for any acts or omissions which preceded that person's departure from the Requested Party, nor shall that person be obliged to give evidence in any proceeding other than the proceedings to which the request relates.
2. A person, who is present in the Requesting Party by consent as a result of a request for the person's attendance to answer before a judicial authority any acts, omissions or convictions shall not be prosecuted or detained or subjected to any other restriction of personal liberty for acts and omissions or convictions which preceded that person's departure from the Requested Party, not specified in the request.
3. Paragraphs 1 and 2 of this Article shall cease to apply if a person, being free to leave the Requesting Party, has not left it within a period of 30 days after being officially notified that that person's attendance is no longer required or, having left that territory, has voluntarily returned.
4. Any person who fails to appear in the Requesting Party may not be subjected to any sanction or compulsory measure in the Requested Party.

ARTICLE 12
Proceeds and Instruments of Crime

1. The Requested Party shall, upon request endeavour to ascertain whether any proceeds or instruments of a crime are located within its jurisdiction and shall notify the Requesting Party of the results of its inquiries.
2. A request may be made for the assistance in securing the forfeiture or confiscation of proceeds or instruments of crime. Such assistance shall be given in accordance with the law of the Requested Party by whatever means are appropriate. This may include giving effect to an order made by a judicial authority or other competent authority whose actions may be appealed against to a judicial authority in the Requesting Party or submitting the request to one of the said authorities for the purpose of seeking a forfeiture or confiscation order in the Requested Party.
3. A request may be made for assistance in the restraint of property for the purpose of ensuring that it is available to satisfy an order for the recovery of proceeds or instruments.
4. The State Party which has under its custody the proceeds or instruments of crime shall make them available in conformity of the established norms in its internal legislation, unless otherwise agreed in a particular case.
5. Where action has been taken in the Requested Party pursuant to a request for assistance under paragraphs 1 or 2 of this Article, and there is a representation in either of the Contracting Parties as the case may be by a third Party affected by the order, the relevant Party shall inform the other Party as soon as possible and shall also inform it promptly of the outcome of that representation.

ARTICLE 13
Confidentiality and Limitation of Use of the Information

1. The Requested Party may require, after consultation with the Requesting Party, that information or evidence furnished or the source of such information or evidence be kept confidential or be disclosed or used only subject to such terms and conditions as it may specify.

2. The Requested Party shall, to the extent requested, keep confidential a request, its contents, supporting documents and any action taken pursuant to the request except to the extent necessary to execute it.
3. The Requesting Party shall not disclose or use information or evidence furnished for purposes other than those stated in the request without the prior consent of the Requested Party.

ARTICLE 14 **Authentication**

Evidence or documents transmitted pursuant to this agreement shall not require any form of authentication, save as is specified in Article 7.

ARTICLE 15 **Language**

Requests and supporting documents shall be accompanied by a translation into the official language of the Requested Party or English.

ARTICLE 16 **Expenses**

1. The Requested Party shall meet the cost of executing the request for assistance, except that the Requesting Party shall bear :
 - (a) the expenses associated with conveying any person to or from the territory of the Requested Party at the request of the Requesting Party, and any allowance or expenses payable to that person while in the Requesting Party pursuant to a request under Article 9 or 10 of this Agreement; and
 - (b) the expenses and fees of experts.
2. If it becomes apparent that the execution of the request requires expenses of an extraordinary nature, the Contracting Parties shall consult to determine the terms and conditions under which the requested assistance can be provided.

ARTICLE 17 **Entry into Force**

This Agreement shall come into force on the last date of the month following in which the last communication through diplomatic channel between the parties is made conveying completion of all the internal legal requisites for its entry into force.

ARTICLE 18
Termination

Either of the Contracting Parties may terminate this agreement by giving six months notice thereof through diplomatic channels. Upon the expiry, of such notice, the agreement shall cease to have any force or effect.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this agreement.

DONE at New Delhi this the 3rd day of July 2006 (Two Thousand and Six) in two originals each, in Hindi, Spanish and English, all texts being equally authentic. However, in case of difference, the English text shall prevail.

For the Republic of India

For the Kingdom of Spain

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UNITED KINGDOM

504. Briefing Points by Official Spokesperson on India-UK Foreign Office Consultations.

New Delhi, April 3, 2006.

- India and the UK held Foreign Office Consultations in New Delhi on April 3, 2006. This is an annual exercise. The previous round was held in London in March 2005. The Indian delegation was led by the Foreign Secretary. The UK delegation was led by his counterpart in the Foreign & Commonwealth Office, Sir Michael Jay, Permanent Under Secretary.
- The Foreign Office Consultations covered the whole range of bilateral political, economic and consular issues. The discussion focused on ways to take the strategic partnership between India and the UK forward with focus on reinforcing our partnership on combating terrorism, expansion of economic ties and intensifying cooperation in the areas of science and technology, education and culture.
- The two sides also had a useful and extensive exchange of views on regional issues including the EU, West Asia, Asia-Pacific, and the South Asia region.
- They also discussed the forthcoming G-8 Summit at St. Petersburg and multilateral issues of mutual interest including energy security and environmental issues, which are on the agenda. UN reform, including UNSC reform was also discussed, as was civil nuclear energy cooperation.
- Both sides agreed that India-UK relations have acquired a rich, substantive and qualitatively mature character. The tradition of high-level exchanges would continue with several such visits being planned from both sides over the course of the year.

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505. Address of Prime Minister Dr. Manmohan Singh at the UK-India Investment Summit.

London, October 10, 2006.

“Prime Minister Tony Blair, Mr. Alistair Darling, Mr. Kamal Nath, Excellencies, Ladies and Gentlemen, I am very grateful to Prime Minister, his colleagues and to each one of you for the time that you have spared this afternoon. I know the leaders of Indian and British business do meet often, both here in London and in New Delhi. But I am happy that we have this opportunity today to interact with you. As I have often said, the relations between nations are a sum of the relations between our peoples and our businesses. What augurs well for the growth of our relationship is that the political leadership in both the countries is convinced that we must forward and we must move forward with dedication and speed.

I recall the initiative that both our Governments took way back in 1992, when the Indo-British Partnership Initiative was launched, to revive trade and investment relations between our two countries. I believe the IBPI was a useful initiative and there has been a quantum increase in trade and investment flows between Britain and India in the past decade.

However, the time has come for a great leap forward. I know that both Prime Minister Blair and I would like to see that happen and I am glad that the first signs are highly encouraging.

Earlier this afternoon, many CEOs of the two countries had met Mr. Blair and me and given several suggestions to further increase trade, investment and other economic engagement. We have assured them that their inputs would be given due consideration in the evolving policy framework. But as the Prime Minister said politics is the art of the possible, so that constraint is something which cannot be wished away.

But I assure you that we have removed most barriers to foreign direct investment in India in the manufacturing sector. I would like to see higher FDI inflows, particularly in infrastructure from Britain.

Our Government would like to see a further liberalization of trade in services, including financial and legal services. I am aware that there is great interest in Britain in our financial sector.

I do believe we need to promote a widely held pension fund system. We need a much larger insurance sector with a higher capital base and

more diverse products. It is these which will generate the necessary long-term funds for investing in a debt market and make available resources for the investment needs of our country particularly in the vital infrastructure sector.

I am confident that we will in the near future be able to forge a meaningful political consensus and take reforms of the financial sector forward.

I wish to assure investors here in the United Kingdom that India adheres to all international codes and regulations pertaining to safety and protection of investment and intellectual property. We also have in place a well-designed system of standards for data protection. Investment in India is both safe and profitable and we are always to learn from our friends about what more can be done in this regard. We have signed an MoU with Britain to strengthen our cooperation in Intellectual Property Rights. India offers tremendous new opportunities in manufacturing, particularly in automobile and auto-components, pharmaceuticals & bio-technology and food processing. We welcome small and medium enterprises from Britain to look more favourably on the prospects of profitable investments in our country.

I am aware that there is a lot of dynamism among small and medium enterprises in Britain. They can be engines of growth in India too based on innovation and adaptation.

Many global corporations have made India their research base. Inward investment in R&D is rapidly increasing in India. The educational and research institutions of United Kingdom have been significant suppliers of technology to Indian firms and institutions. The recently launched UK-India Education and Research Initiative which owes great deal to the forward push given by the Prime Minister himself, has the potential to vastly increase collaboration between the educational institutions of the two countries and to facilitate exchange of students. This would give a fillip once the issues of Visas and Work Permits for students are further streamlined.

For me a visit to Britain is always a sentimental journey, and a journey into my youth. I am very grateful to Prime Minister Tony Blair for his warm hospitality and strong support to further promotion of our multi-faceted relationship. I sincerely hope we can all work together to write a new chapter in Indo-British relations. I thank you.”

506. Statement of Prime Minister Dr. Manmohan Singh at the Joint Press Conference with the British Prime Minister Tony Blair.

London, October 10, 2006.

Prime Minister Blair, Ladies and Gentlemen of the Press, It is gratifying for me that Prime Minister Blair and I have kept our commitment to hold a bilateral meeting each year.

I deeply appreciate Prime Minister Tony Blair's personal commitment and involvement to strengthening our Strategic Partnership.

As the world's largest and the oldest democracies we obviously share deeply held values and a commitment to democratic institutions and the rule of law.

Our cooperation in combating terrorism has become particularly significant. We agreed that there is need for a coherent global effort with shared perspectives and commitments to combat terrorism wherever and whenever such attacks take place. Sadly both the Mumbai and London attacks are reminders of the common terrorist threats we face.

Prime Minister Blair and I will later address an Investment Summit of our business leaders. There is clearly tremendous opportunity for further expansion of economic linkages even though they are strong and they are moving in the right direction.

We are particularly glad that the United Kingdom views the rapid growth of India as an opportunity that can be used for mutual benefit. In fact, United Kingdom Business and Industry should look more closely at opportunities unfolding with the quiet but substantive manufacturing revolution taking place in India.

While the United Kingdom is India's 4th largest trading partner and the 5th largest source of foreign investment into India, India has emerged to become the 3rd largest investor in the United Kingdom in terms of number of projects.

In fact, foreign direct investment flows from India to the United Kingdom have exceeded those from the United Kingdom into India since 2004.

India and United Kingdom have revitalized cooperation in scientific research and sought ways to link science and innovation with enterprise. We feel the time is right to expand collaboration in knowledge-based industry and to stimulate greater investments into India by both large corporations and Small and Medium Enterprises.

As a knowledge economy, India places great store on respecting Intellectual Property Rights issues and data security and protection.

We also hope to see a stepping up of cooperation in new fields like education, and health care. Increased cultural exchanges and facilitating the movement of peoples between our countries need to be encouraged.

Prime Minister Blair and I conducted a useful review of issues of global importance and concern particularly the future of Doha Round of Trade negotiations . We also shared perspectives on developments in our regions as well as on issues relating to energy security and climate change in which the Prime Minister himself taken a lead in drawing global attention to these crucial issues.

India deeply values friendship and cooperation with the United Kingdom. I am confident that the momentum in our relations will only gather momentum in the coming years and I thank the Prime Minister for his personal interest, strong endorsement to strengthen our bilateral relations. Thank you.

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507. Speech of Prime Minister Dr. Manmohan Singh on the occasion of Special Convocation of the University of Cambridge to confer on him the degree of Doctor of Law.

London, October 11, 2006.

Towards Inclusive Globalisation

I am deeply conscious of the honour that you have bestowed upon me by inviting me to deliver this lecture and by conferring on me the degree of Doctor of Law. I crave your indulgence as I begin on a personal note. I am one of the fortunate few to have been embraced by Britain's two oldest universities. Before I went to the other place by the Isis, I saw the river Cam when I came up to study for my Economics tripos at St John's. In the beginning was St. John's. The colour light blue is one of my favourites and

is often seen on my head. My memories of my days in Cambridge are deep. I was taught by teachers like Nicholas Kaldor, Joan Robinson, Maurice Dobb and Professor R.C.O. Mathews. I have vivid recollections of the economist Pierro Srafa working studiously at the Marshall Library. It was here that I became a contemporary of Amartya Sen, Jagdish Bhagwati, Mahbub-ul Haq and Rehman Sobhan – all renowned economists from South Asia who became lifelong friends. My teachers and my peers in Cambridge taught me to be open to argument and to be fearless and lucid in the expression of one's opinions. These virtues, and a relentless desire to pursue intellectual truth were inculcated in me at Cambridge. In many important ways, the University of Cambridge made me.

I am certainly not the only Indian who is thus indebted to this great University. Jawaharlal Nehru was at Trinity as was his grandson, Rajiv Gandhi. Both became Prime Ministers of India. I am thus the third Prime Minister of India to have come out of Cambridge. Sarojini Naidu, known as the 'Nightingale of India', played an extremely significant role in India's freedom movement and she studied at Girton. Looking beyond the arena of political leadership, there were many eminent Indians, who studied in Cambridge, and then made significant contributions to the world of science and to public life in India. In this context, I think of Jagadish Chandra Bose, who was at Christ's in the 1880s and was a pioneer in the study of radio waves and the life of plants. I think of Srinivasan Ramanujan, the master of the theory of numbers who was brought to Trinity by G.H.Hardy. I remember P.C. Mahalanobis who was at King's and then founded the Indian Statistical Institute in Calcutta. Homi J. Bhabha, who played a crucial role in the development of India's nuclear programme and established the Tata Institute of Fundamental Research in Mumbai was at Gonville and Caius. M.S. Swaminathan, the man who envisioned the Green Revolution in India, was at St. Catharine's. I mention here only the very eminent but there are many others in the social sciences, in education and the bureaucracy in India who, like me, claim this university as their alma mater. The links between India and Cambridge are long and enduring.

Globalisation

When I came up to Cambridge in the mid 1950s, the Cold War had frozen the world into two blocs. India had won Independence a few years before and under the leadership of Jawaharlal Nehru was trying to establish its own place in a divided world. For Indians it was an era of hope, and there was great optimism about the prospect of development.

Today the world appears radically altered. The Cold War is history. A new age of freedom has harnessed to it new technologies that have transformed production and communication. The dismantling of state control has unshackled economic forces. More countries are now integrated into a global economic system in which trade and capital flow across borders with unprecedented energy. The age of freedom is also the age of economic growth. Prometheus has truly been unbound.

A very significant feature of the global economy is the integration of the emerging economies in world markets. In fact, the weight of global economic activity is gradually shifting to these emerging economies. They now account for more than two-fifths of world exports compared to a fifth twenty-five years ago.

In many parts of the developing world, especially India and China, per capita incomes are doubling or are expected to double over every decade. This will lift millions of people out of poverty. This pace of change is unprecedented, far exceeding what was witnessed during the Industrial Revolution in Europe. Freer trade and financial flows in the world as a whole are helping to contain inflation, keep interest rates low, and sustain higher levels of investment.

In my own country, the economic reforms we initiated in the early 1990s have made our economy more competitive. Indian business is responding to new market opportunities. India's growth is underpinned by a vibrant and growing entrepreneurial class. Indian youth is keen to get into technical and scientific institutions – helping India gain salience as a knowledge based economy. Our country, I believe, is now on a growth path of 7 to 9 per cent per annum, while maintaining reasonable price stability. The proportion of people living below the poverty line is declining.

Globalisation: Some Concerns

These achievements of the era of globalization should not blind us to the new anxieties that globalization has brought in its wake. The reach of globalization is yet to touch many parts of the world. Moreover, the evidence suggests that the process has not removed personal and regional income disparities. In many developing countries, growth is by-passing the rural areas. Also, in the face of stagnation in their real pay, the working classes in industrialized countries are becoming fearful of the opening of markets. The gap between the rich and the poor is widening. This, coupled with the inability of the public sector to provide adequate and quality services

in health and education, and cater to the needs of the poor, is causing resentment and alienation. This is nurturing divisive forces and putting pressure on the practice of democracy.

These are real and palpable concerns and they cannot be ignored. Ladies and gentlemen, I suggest to you that we address these vital concerns by making globalisation an inclusive process. We need to work for inclusive globalisation. This calls for a new global vision.

Make Globalisation Inclusive

That vision must ensure that the gains from globalization are more widely shared. It is a matter of deep concern that the Doha Development Round of trade negotiations has reached an impasse. If trade is to be an instrument of combating poverty and spreading manufacturing capacities more evenly in the world, it is then vital that barriers to the export of agricultural goods from developing countries be eliminated.

Nearly 2/3rd of the population of developing countries live in rural areas. In the developed countries this falls to less than ten per cent. My appeal is that developed countries should not allow short-term national interests to prevail at the cost of promoting freer trade and combating poverty. The prosperity of so many cannot be sacrificed for protecting the interests of so few. The price of myopia is heavy on the exchequers of the developed world. The issue also has profound moral dimensions.

To convince people in poor countries about the benefits of globalization we must take a more enlightened view in liberalizing trade in services and labour intensive manufactures, in which developing countries are competitive. I see trade not only as a means to prosperity, but also as peace building. Collectively we need to devise an enlightened approach to negotiations over the reduction of harmful gas emissions, intellectual property rights in the production of life saving drugs, transfer of technologies that help to combat poverty and such issues.

Prosperity, ladies and gentlemen, is not divisible. Neither is global peace possible without the eradication of poverty. As Jawaharlal Nehru said in his address to the Canadian Parliament in 1949:

“There can be no security or real peace if vast numbers of people in various parts of the world live in poverty and misery. Nor can there be a balanced economy for the world as a whole if the underdeveloped parts continue to upset that balance and drag down even the more prosperous nations.”

Terrorism and Fundamentalism – From a “Clash of Civilisations” to a “Confluence of Civilisations”

The best efforts to eradicate poverty will be defeated if our societies and nations are threatened by the spectre of terrorism and extremism.

Open societies like India and Britain are more vulnerable to this threat. The very openness of our societies makes us more vulnerable. Yet we must fight terrorism without losing the openness or the rule of law that guarantees the freedom of the individual.

I believe that terrorism can be defeated only by combating fundamentalism and promoting respect for diversity. Britain, the land of John Stuart Mill and Bertrand Russell, the cradle of common law, liberty and democracy, has a unique role to play in fighting fundamentalism. India too has its own pluralistic traditions and openness to other cultures. The legacy of Mahatma Gandhi and Jawaharlal Nehru ordains that we remain committed to combating fundamentalism. We do not believe in a “clash of civilizations”. What we believe in is enrichment of the human condition through cultural inclusiveness and a “confluence of civilizations”.

Global governance

As democracies we must also stand together in making governance across the world more democratic. As a democracy we aspire to a world in which global institutions are more democratic and more representative of all the peoples of the world. The governance processes of global institutions of today – be they Bretton Woods institutions or the UN Security Council - reflect the realities of the world as it was more than half a century ago.

A more inclusive global process that carries the population of the world with it calls for a reform of these institutions, in which the developing world will have a greater voice. Not to do otherwise is to risk alienation and to render ineffectual the global system. I look to Britain, the Commonwealth and other great nations of the world to join forces in bringing about such a reordered global system.

Ladies and Gentlemen, you may well wonder why I have expressed these thoughts at this forum. Before the First World War, a young man from Allahabad came up to Trinity via Harrow. After the Second War, a simple young Indian came to St John's from an obscure university in Punjab. Cambridge University embraced both. This inclusive character of my alma mater emboldened me to speak to this august gathering about inclusive

globalisation. I thank you very sincerely for your patience and for your indulgence. Thank you.

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508. Joint Press Briefing by External Affairs Minister Pranab Mukherjee and Foreign Secretary of the United Kingdom Ms. Margaret Beckett.

New Delhi, November 2, 2006.

EXTERNAL AFFAIRS MINISTER: Good morning, Ladies & Gentlemen. First of all, I would like to welcome the Foreign Secretary of the United Kingdom to India. We are happy that one of her first major destinations abroad is our country, which underlines the importance both our countries attach to each other.

Ms. Beckett is a long-standing friend of India and is the Honorary President of the Labour Friends of India in the UK Parliament. It is due to the contribution and efforts of leaders like Ms. Beckett that this relationship has strengthened at such a fast pace. I am sure that it will continue to gather momentum under her stewardship.

Over the years, India and the UK have developed a historically strong relationship which has allowed us to work together on a number of important areas of mutual interest. The Indo-British bilateral relationship is now perhaps at its best ever. It is a comprehensive strategic partnership which seeks to intensify our co-operation over the entire gamut of our interactions. Our relationship is underpinned by the presence of a large, successful, integrated and dynamic Indian community in the UK.

As you are aware, Prime Minister Manmohan Singh just concluded the third bilateral Summit with Prime Minister Tony Blair in London. There was a remarkable convergence of views on the prospects of the bilateral relationship and on critical issues like counter proliferation and counter terrorism.

I had the privilege of discussing these issues with our honoured guest. We discussed the full range of international, regional and bilateral issues, as well as the follow up to the recent bilateral summit with the UK and the EU.

We have strong cooperation on international issues, with both of us uniting on the need to face terrorism with resolve and without equivocation. Both our countries have been the victims of terrorism. We greatly appreciate the UK's commitment to fight terrorism wherever it appears and the banning of terrorist groups operating against India. We discussed strengthening cooperation in counter-terrorism and have agreed to a meeting of our experts in the area of protecting critical national infrastructure such as mass transit systems and other assets.

We exchanged views on developments in South Asia. We share the objective of stabilising Afghanistan and ensuring that terrorism is defeated in our region, and we shared our perspectives in this regard.

Our economic relationship has been transformed dramatically, with half a million people from India visiting the UK annually and more than 400,000 British nationals visiting India. The UK has become a bridgehead for Indian companies' expansion abroad, especially in the I. T. sector, where as you know, India places great emphasis on intellectual property rights and data security and protection.

Both trade and investment have witnessed significant increases and India has emerged as the third largest investor in the UK. We would also encourage UK business to look more closely at investment and trade opportunities with India. We think there is great potential here.

Our educational links are also increasing with India having endowed Chairs in the UK and over 16,000 Indian students in UK educational institutions. Our human capital is the greatest resource that we have and this is helping lay the foundation for a strong synergy between our two knowledge-based economies.

Cooperation in scientific research and modalities to commercialise it are being explored. Our countries are also cooperating in developing solutions for sustainable development and clean energy.

The relationship is flourishing, multi-dimensional and strong. It is based on shared values and interests and indicates the depth and maturity of a partnership between our two countries - one the largest democracy and the other the oldest.

I have no doubt that our interactions today will contribute significantly to taking forward our comprehensive strategic partnership.

BRITISH FOREIGN SECRETARY (MS. MARGARET BECKETT):

Thank you very much indeed Minister Mukherjee. It is a great pleasure to be able to visit India again and to be one of the early visitors to you in your new capacity to which I strongly welcome you. Apart from anything else, it is always nice to meet a Foreign Minister who is newer in that post than one who is ...(inaudible)... It was as you say very recently that I was able to take part in the annual summit between our two Prime Ministers and I can certainly assure you that this was seen as a very, very successful visit and very much a testament to the strength and value of the relationship between India and the UK.

I am happy to say that, of course, I have visited India on a number of previous occasions and I think in almost all of my previous Ministerial roles, including the first occasion as the Minister for Trade and Industry and have many fond memories of all of those visits.

I think that our meeting this morning has been excellent, very constructive and hope that it will set the scene for the rest of my visit on this occasion. We have had, as you say, very constructive discussions on the bilateral relationship between India and the UK, on the important global challenges and opportunities that face all of us and on the regional and security issues, including counter-terrorism. I share your view that the bilateral relationship between our countries and between our Governments has probably never been better, and that also it is a modern and forward-looking relationship which is indeed, as you say, underpinned by the growing business links between our two countries. I believe that until recently the UK is the third largest investor into India and India is the third largest investor into the UK. Although I understand according to figures for the first six months of this year, India is the second largest investor into the UK. So, those links are indeed strengthening and the people-to-people links which see over a million people in effect traveling between our two countries every year is again testament to the strength of our relationship. But we have both agreed that we have to do more to thicken those excellent links. India and the UK are both important players on the world stage - our own country through its membership of the UN Security Council, the G8, the EU, the Commonwealth, and we see India as very much an important and a powerful country with a strong emerging economy. The UK has, as I hope you would know, been at the forefront, of course, for India to have a permanent seat in the UN Security Council. We were very keen to take steps for inviting India to take part in the G8 meeting at Gleneagles last year.

We see our two countries as natural partners as we look even beyond the bilateral relationship and to the global issues that face all of us. And today, as I said, Minister Mukherjee and I agreed how we can take forward the activities which will flow from cooperation on counter terrorism that our two Prime Ministers announced at the recent meeting in London.

We also touched on the challenges and opportunities of climate change. We have seen the Stern report - this is the summary, the full report is larger than this – published earlier this week. In that context again there is much for us to work on together. And, of course, we also both recognize the importance of success in the Doha trade talks.

What is clear about all of these issues is both how well our countries are working together but also how necessary it is that we work together. You were good enough to talk, Sir, about our shared values and interests and the maturity of our relationship. And I think, yes, it is a mature relationship because it has endured for many years but it is not its maturity which is the most important thing, it is indeed those shared values and interests and the way in which we work together. I look forward to a longer and fruitful partnership between us as Foreign Ministers as well as between our countries.

QUESTION (BBC): Mrs. Beckett, two questions if I can. One is on counter-terrorism. Could you tell us what in practice the cooperation means? On the climate change, what do you say to India to convince it to take up what the Stern report says that action is needed?

BRITISH FOREIGN SECRETARY: First of all, on the issue of counter-terrorism there are the obvious things on shared concern, shared flow of information and so on. But also very concretely we have people working, for example, with the relevant authorities in India to help prepare as we have all been trying to do for greater protection in attacks on mass transit infrastructure. So, there are some very concrete ways here, in which we are sharing our very unfortunate and tragic joint experience and trying to learn from each other's experience.

With regard to the issue of climate change, we take very strongly the view which indeed Sir Nicholas Stern expresses in his report that this is a common interest, but it is, of course, wrong to use the language of, the jargon if you like, in climate change today which is 'differentiated'. It is the developed countries, unfortunately, who have created - although no one realised we were doing so at that time- some of these problems because

of the unsustainability of our approach in the past for growth and development. Therefore, it is for us to move first and to take the lion's share, if you like, of the action that has to be taken if these problems are to be resolved. But, unfortunately, there are problems which will face all of us. What Sir Nicholas Stern identifies in his report is that these are problems the world community is able to address if we work together (as a world community); that the earlier we take action the less it will cost; and if we do not take action the cost in every country in the world will be much greater than anything that it could cost us to take some action now or in the future. The cost of not tackling climate change is substantially higher (and) far outweighs the cost of some of the steps that we need to take if we are to tackle this problem.

QUESTION (IANS): Madam, India's FDI in Britain has exceeded that of Britain in India. Our Prime Minister has been talking about foreign investment in infrastructure sector. Is Britain looking at stepping up investment in infrastructure sector in India?

BRITISH FOREIGN SECRETARY: There is, as Minister Mukherjee said already, a very strong economic partnership and flows of investment that we are talking about. India is a very major partner for development and I believe a recipient of the largest flow of development investment that the British Government makes. But, of course, most of mutual flows of investments that we are discussing are indeed coming from the private sector. We certainly encourage British companies to look to the opportunities that there are in India for development to our mutual advantage and see such opportunities in a range of infrastructure. For example, one thing which we are extremely interested in the United Kingdom because that is to everyone's advantage is the possibility of investment in development into clean coal technology which goes back to the question I was asked a moment ago. It is a technology which we believe could be very beneficial in helping to tackle climate change, one of the aspects of developments of this kind.

We and the EU are working with the Chinese Government already on developing a clean coal demonstration plant. We would be very interested in discussions as to whether or not something very similar can be developed here in India because we see, as I say, tremendous opportunities. One of the features of the Stern report is that he also draws attention to the fact that there are great opportunities for industrial development and for creation of employment. (These are) some of the

steps that we need to take as a world community to tackle climate change and that is one of them.

QUESTION (BBC AUSTRALIA): This question is for the Foreign Secretary. I interviewed you last time when you were here as Environment Minister a couple of years ago. I see now that you talked about the fact that the international community should come out within two years probably (with) some kind of treaty which could look at climate change. How much political capital is Britain ready to spend on this considering that your allies in the world particularly the United States and Australia have not yet ratified the Kyoto Protocol?

BRITISH FOREIGN SECRETARY: We have already spent a lot of political capital on it and intend to spend more. You may recall that when a year ago Britain was in the Presidency of the G8 and also of the European Union, we made tackling climate change one of our top two priorities. One of the major steps that we took was to make this very much a priority at the Gleneagles Summit to which, of course, India came and we were very delighted to welcome the Indian Prime Minister and take part in the discussions that took place along side the Gleneagles meeting and to welcome both the statement that was made by those other five countries of which India is one and also the establishment of the Gleneagles Dialogue which I do not think anyone was confident that we would be able to establish at the beginning of the year.

The purpose of that dialogue, to which India is again a contributor, is to have the opportunity of space for more informal discussion about how we deal with these issues. Of course, negotiations, whenever they take place in whatever form, are a matter for proper discussion through the United Nations body. But what we were keen to do is to create a forum in which people can explore the different ideas which are being considered about how we tackle this issue in the future without feeling that they are in a negotiating set of circumstances and they are not being bound by what they say, and people can explore the ideas that are in the public domain. But we have already advanced substantially the role in discussion of these issues with the United States. President Bush did agree to the setting up of the Gleneagles Dialogue, the United States took part in it. Also in Montreal last year the United States agreed to be a participant in talks about how move on beyond the first Kyoto commitment period, which again is not something that I think anyone was confident of, certainly at the beginning of the last year. Even when we went to Montreal nobody was quite confident

that the United States will be able to prepare to move forward as they have done. Equally, the saying applies to the Government of Australia. Of course, where there is a difference is that the Government of Australia have committed themselves to continue to meet their Kyoto targets even though they are not signatories to the Kyoto Protocol. So, there is a somewhat different approach there and, of course, both countries are part of the Asia Pacific Partnership.

QUESTION (CNN-IBN): This question is for the Indian Foreign Minister and the British Foreign Secretary. Sir, do you believe that there are double standards on India's war against terror as far as the western countries are concerned? India's big concern is Pakistan-sponsored terrorism. Did you put across that to your British counterpart? Madam, your intelligence agencies have a pretty robust relationship with the ISI. In that situation, is your Government in a position to lean on Islamabad?

EXTERNAL AFFAIRS MINISTER: My response to the question is, terrorist activities are not confined to any territorial limit. This is a menace, perhaps the biggest menace, to world peace in the post-Cold War era. Therefore, all countries will have to work collectively to fight this menace and to eradicate it. Of course, we discussed the problems in all its dimensions but it is not any country-specific.

BRITISH FOREIGN SECRETARY: I strongly share that view. As you probably know, our own Prime Minister expressed the view quite recently that terrorism is a threat to all countries wherever it arises and that all of us must do what we can to work together and to tackle and to try to solve those problems because the terrorists are interested only in violence in a whole number of parts of the world and are operating counter to the interests of everyone except themselves. So, it is very important that as a world community, we all do everything we can to help to counter their activities.

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509. Response of Official Spokesperson to questions on media reports regarding a statement¹ attributed to H. H Pope Benedict XVI.

New Delhi, May 19, 2006.

It is acknowledged universally that India is a secular and democratic country in which adherents of all religious faiths enjoy equal rights. The Constitution of India states that "all persons are equally entitled to freedom of conscience and the right freely to profess, practice and propagate religion.

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1. As the Indian Ambassador-designate Amitab Tripathi presented his papers of credence to the Pope the latter was reported to have said that there "were disturbing signs of religious intolerance which have troubled some regions of the nation, including the reprehensible attempt to legislate clearly discriminatory restrictions on the fundamental right of religious freedom." He further said the attempt to restrict religious freedom "must be firmly rejected as not only unconstitutional but also as contrary to the highest ideals of India's founding fathers, who believed in a notion of peaceful coexistence and mutual tolerance between different religions and ethnic groups." The Indian Parliament was too seized of the matter. In answer to a question in the Rajya Sabha on May 22 the Minister of State Anand Sharma said that the *Charge d'affairs* of the Vatican in New Delhi was summoned to the Ministry of External Affairs and it was conveyed to him in "no uncertain terms that the Government of India disapproved of the Pope's statement" and was displeased by it. He added that it was pointed out to the *Charge d'affairs* that the Pope was not properly briefed on the secularism and religious tolerance prevailing in India which few countries could boast of. He assured the House that the Government's response was "firm, appropriate and timely".

INDIA'S FOREIGN RELATIONS - 2006

SECTION - IX

(i) INDIA AND THE UN

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510. Press Release of the Ministry of External Affairs on re-tabling of G-4 draft resolution on Security Council reforms by Brazil, Germany and India.

New Delhi, January 6, 2006.

The G-4 draft resolution of 6 July, 2005 (L.64) which generated very wide support in the general membership in the 59th Session of the General Assembly, was re-tabled by Brazil, Germany and India¹ on 5 January 2006. It is widely recognised that no other model for the reform and expansion of the UN Security Council has met with a similarly high level of endorsement. A comprehensive reform of the UN Security Council will bring it in line with contemporary realities and strengthen the United Nations as a whole. The objective of re-tabling the G-4 resolution is to instil positive dynamics into the process of Security Council reform, which had been emphasised in the Outcome Document of the World Summit held in September, 2005.

Brazil, Germany and India will continue the cooperative framework of the G-4 with Japan. All Member States genuinely interested in reform are welcome to discuss the draft resolution. Discussions will be undertaken with an open mind with a view to further broadening the basis of support. The aim of the re-tabling the G-4 draft resolution is not to call for a vote in the immediate future, but to further explore the potential of joining hands

1. Interestingly while Japanese representative was present at the time of tabling of the Resolution, Tokyo did not join the other constituents of the G-4 in tabling it. The draft had to be re-tabled because the General Assembly had begun a new session. The Japanese Chief Cabinet Secretary Shinzo Abe told journalists in Tokyo on January 6 that his country now was evolving, in association with the USA a draft resolution on Security Council expansion. He said Japan had therefore not joined the other members of the G-4 when they "resubmitted" the group's collective draft at the UN. He said he understood the strategy of the other three to "resubmit" the old draft to keep the issue in focus and gain primacy for it over a possible counter-draft from the African union. That the Government of India considered the expansion of the SC as central to the reform process of the UN was stated unambiguously in the Lok Sabha on the 6th December. In reply to a question on the subject the Government said: "The reform and expansion of the UN Security Council is considered by the Government as central to the process of United Nations reform, which has been ongoing for some years. This reform of the UN Security Council should encompass its expansion, both in permanent and non-permanent categories, as well as the improvement of its working methods. The Government continues to actively pursue this issue, including through coordination and engagement with Brazil, Germany and Japan, otherwise known as the G-4 group. India is next participating in a debate in the plenary of United Nations General Assembly on December 11, 2006 on the issue of UN Security Council reform. The object is to keep the focus at the United Nations on this vital issue, while developing a model of UNSC reform that has wide support and acceptance. So far the progress in this direction has been satisfactory." (In this Connection please see Documents No. 549, 553 and 605.)

with all member states supporting structural reform of the Security Council. In this context, the efforts of the African Union are encouraging. The project of the S-5 Group of Countries is also to be noted. Both these initiatives share to a large degree the reform aims of the G-4 draft resolution.

It is also encouraging that the President of the General Assembly has recently noted the need for modernising the Security Council and stressed the continuing willingness of the wider UN membership to pursue this goal.

It is hoped that the tabling of G-4 draft resolution will impart new impetus to Security Council reform, without which the overall reform of the United Nations will be incomplete, as has been stated on several occasions, including by the UN Secretary General.

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511. Address by Minister of State Anand Sharma at the inauguration of the Second Asia Pacific Model UN Conference.

New Delhi, February 10, 2006.

Shri I. K. Gujral, Former Prime Minister of India, Shri Subodh Kant Sahay, Minister of Food Processing & Industries, Shri Ram Niwas Mirdha, Chairman, Indian Federation of United Nations Associations, Mr Kim Hak-Su, Executive Secretary of ESCAP, Mr Gregory Kovirzhenko, Chairman, World Federation of United Nations Associations, Ms. Shalini Dewan, Director, UN Information Centre, Members of IFUNA, Distinguished Delegates and Invitees,

It gives me great pleasure to attend the Inaugural Session of the Second Asia Pacific Model UN Conference in New Delhi. This large participation of national UN associations is an eloquent testimony to our collective faith in the ability of the UN system to address the challenges and meet the objectives of our global community. As a founding member of the UN and a firm believer in its Purposes and Principles, India has contributed significantly to the furtherance and implementation of the UN's noble ideals, which run parallel to our civilizational ethos.

At the outset of a new millennium, we envisage not only new and varied challenges but also opportunities for the global community. Political, economic, social, environmental and demographic challenges are impinging

on intra-state as indeed inter-state affairs. The complexity and the intensity of these issues dawn on us the realization for greater interdependence of peoples and nations requiring collective actions. Thus the need and relevance of the UN today is greater, not lesser, even though many question the effectiveness of multilateralism today for influencing policies.

Mr. Chairman, I am happy to note that the theme of this Conference are the Millennium Development Goals, which were adopted at the Millennium Summit of our Heads of State and Government in a collective pledge to ensure a better future for mankind. There is optimism and hope that enhanced economic and technological growth will enable a frontal attack on global poverty, ignorance and disease and that benefits would percolate to the common man. However, six years after the Millennium Declaration, we are still far from registering significant progress and need to redouble our efforts to achieve the goals and targets that we had set for ourselves in the coming decade.

Mr. Chairman, The 2005 World Summit recognised the need for continued efforts in a global compact for the realisation of the Millennium Development Goals. In particular, the World Summit stressed the development dimensions of the Doha round of trade negotiations as well as raising investment and savings rates through meeting the ODA target and using innovative sources of financing. We need to strengthen the momentum generated by the Summit towards promoting international cooperation for development and positioning the discourse on development at the center of the global economic agenda.

Mr. Chairman, The developing countries constitute the vast majority of the UN membership. It is important for them that the UN helps them resolve their development problems as they deem appropriate, including by addressing the systemic issues that are at the root of numerous problems they face. Presently, much of the discussions at the UN are primarily confined to addressing governance issues at the national level. The main economic issues of concern to developing countries such as financial flows, the multilateral trading system, external indebtedness, etc. are no longer debated and agreed upon within the United Nations, as used to be the case earlier. This needs to be urgently rectified.

Mr. Chairman, The World Summit underscored the importance of bringing back global economic issues on the agenda of the United Nations to assess and promote a long-term policy framework and provide political direction on international economic issues. The UN must play an important

role in promoting coherence among financial, monetary and trade policies, transfer of resources and of technologies, etc. The importance of “enhancing the voice and participation” of developing countries in the decision making processes in global trade, financial and monetary institutions can hardly be overstated. The ECOSOC needs to be strengthened and be made more effective in order to identify and make policy recommendations that ensure that policies are supportive of development and that multilateral institutions do not work at cross purposes.

Mr. Chairman, The follow-up of the World Summit must ensure that the fundamental objective of rapid economic growth of the developing countries, enabling them to reach the MDG targets, reduce poverty and increase employment, is kept in view. Monitoring the progress made in the implementation of MDG-8 by developed countries has to be an integral part of the monitoring of MDGs as a whole. At present, the UN is largely engaged in discussing internal economic and social issues while placing much emphasis on provision of technical assistance. We would welcome, through the UN system, the mobilisation of greater resources for development and the emergence of a coalition that would take initiatives in areas of interest to developing countries.

Mr. Chairman, India is home to every sixth person in the world. We are acutely aware of our responsibility to meet the Millennium Development Goals (MDGs), as our contribution to attaining global benchmarks. We have made considerable progress in poverty reduction and are making determined efforts to achieve the targets we have set for ourselves in the social sectors. The National Common Minimum Programme of our Government has laid particular emphasis on health, education, shelter, infrastructure and employment, especially in the rural areas. We have launched “Bharat Nirman”, a programme of unprecedented magnitude, for developing infrastructure in rural India. We aim to provide connectivity for all of India’s six hundred thousand villages through roads, electricity and telecommunication. The Tenth Five Year development Plan, which is currently under implementation, provides for sustained access of potable water for all villages in India. The next Plan will complete the target of providing shelter for all. We have equally ambitious programmes for universal elementary education and improvement of health in rural areas. To ensure a minimum level of employment for everyone in rural areas, we have prepared the National Rural Employment Guarantee Act, which we hope will transform rural India.

Mr. Chairman, Our experience in India and elsewhere has shown that

democracy and development are complementary and mutually reinforcing. The principles of democracy and the rule of law are equally relevant for ensuring economic progress and human development, which contribute to the consolidation of peace. Our abiding commitment to democracy is amply reflected in our support to the UN Democracy Fund, which was set up at the last UNGA. We hope the UN Democracy Fund will help nations to build and strengthen democratic institutions and practices to realize the fruits of globalization for the betterment of their people.

We believe that the management of global interdependence also requires strong international institutions and a rule-based multilateral system. Nations' faith in the UN system will be strengthened when it reflects their aspirations and acts to address their concerns. This brings to centre-stage the reform of the UN and the need to tackle the democracy deficit in its structure and decision making process.

Mr. Chairman, As we mark the 60th Anniversary of the UN, there is a unique opportunity for its comprehensive reform and to strengthen multilateralism with the UN at its centre. It is important that the United Nations is reflective of contemporary global realities and is equipped to respond effectively to the needs, requirements and concerns of the developing countries, which constitute the vast majority of its membership. In this context, the reform and expansion of the Security Council and inclusion of developing countries as permanent members in an expanded Council can no longer be postponed.

Mr. Chairman, Several threats and challenges face us today. Some are self evident, such as terrorism, conflict and the threat of a link between terrorism and proliferation of weapons of mass destruction. Poverty, hunger, disease and deprivation, are still pervasive in large parts of the world. We need to carefully consider systemic ways and means to address each of these, while being mindful that failure to address the challenges of underdevelopment effectively could exacerbate all other threats. In the age of globalisation, we must ensure that its benefits permeate the globe and that the most vulnerable and those in the greatest need do not face any adverse consequences. More-so we also need to bridge the digital divide as also the gap between the rich and poor countries which is growing though the net reverse flow of wealth from the South to the North despite pledges from developed states of greater aid to developing countries.

Mr. Chairman, Six years ago, the adoption of the Millennium Declaration affirmed our united readiness to confront and overcome the

challenges of the 21st Century. We have achieved some progress, but much remains to be done. It is time for us to renew our commitment to MDGs and collectively translate them into reality with a greater sense of urgency. We owe this to future generations.

Mr. Chairman, Today's world is an interdependent one in which no nation can prosper in isolation. An international environment supportive to our collective needs and security is an imperative. We must, therefore, strive for a reinvigorated UN for the common benefit of all of us.

I wish all the participants a fulfilling and enriching experience in India and the Conference much success. Thank you.

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512. Statement by Minister of State Anand Sharma at the High-Level Meeting for the Launch of the Central Emergency Response Fund at the United Nations.

New York, March 9, 2006.

Your Excellency, the UN Secretary-General, Your Excellency, the President of the UN General Assembly, Rt. Hon'ble Prime Minister of Grenada, Rt. Hon'ble Secretary of State for International Development of the United Kingdom, Rt. Hon'ble Minister for Development Cooperation and Humanitarian Affairs of Luxembourg, Your Excellency, the Emergency Relief Coordinator, Distinguished Guests, Ladies and Gentlemen,

Thank you for this opportunity to address this High-Level Meeting for the Launch of the Central Emergency Response Fund - a momentous event in the evolution of the international community's response to natural disasters and humanitarian emergencies.

The magnitude and scale of some of the natural disasters that the world has witnessed in recent times, their catastrophic impact and the unprecedented tragedy and trauma resulting from them, have highlighted like never before the need for an effective and prompt international assistance mechanism to support the relief efforts of an affected country. Our leaders recognized this need in the Outcome Document of the 2005 World Summit.

It is, therefore, satisfying that the UN has moved quickly to put in

place an emergency response fund, in view of the major challenges that lie ahead. Its success, however, will be assessed by how far it meets expectations, not of those assembled here, but of the thousands who annually fall victim to natural disasters and humanitarian emergencies. CERF holds out the hope of ready availability of resources for rapid initial response in times of need. The adequacy of that response will depend upon early building up of the corpus of the Fund and its regular replenishment.

We also expect the Fund to address the tragedy of what has been termed as 'neglected emergencies'. For too long, emergency aid commitment has been subject to the so-called 'CNN effect'. Dire emergencies, especially in parts of Africa, slip off the radar screen of the donor community either for geo-political reasons or because they are no longer media worthy.

We expect the Fund to be operated in a transparent and accountable manner. Indeed, the long term viability of the CERF would depend on two aspects of its functioning. The foremost would be the improvement in the response of the UN agencies to sudden onset disasters by cutting down the time required for raising resources and thereby saving lives in the immediate aftermath of such disasters. The second would be the fairness and transparency in allocation of resources from the CERF. Regular and stringent audits, not merely of the records in OCHA, but also within the agencies that receive resources from the CERF, would be a pre-requisite in establishing confidence in the CERF as an effective, transparent and accountable instrument, worthy of receiving resources. An annual review by the General Assembly would ensure that the CERF meets the high expectations of Member States and the international community.

Much as we support the setting up of the CERF, the longer-term solution lies in the capacity of countries to mitigate the effects and manage their own responses to natural disasters. Development cannot be sustainable unless disaster mitigation is built into the development process at all levels. The international community also has to maintain its focus beyond emergency relief and to support the medium and long-term rehabilitation, reconstruction and risk-reduction efforts of the Governments of the affected countries.

Two of the biggest natural disasters have affected India within a year – the Indian Ocean tsunami of December 2004 and the devastating earthquake that struck the northern Indian sub-continent in October 2005.

As a response to the multi-hazard vulnerability of our country, we have in recent years significantly strengthened our disaster management capacity. A National Disaster Management Authority has been set up in India under the chairmanship of the Prime Minister. We are also establishing a SAARC Regional Disaster Management Centre. We would be happy to share our skills and expertise with other members of the international community.

Our focus on development of a disaster response capacity also enabled us to cope with recent disasters relying on our own resources. It was also clear to us that while our situation was serious, there were other affected countries where the need for immediate relief was even greater. We extended assistance to Sri Lanka, the Maldives and Indonesia, in the immediate aftermath of the Tsunami. In fact, India airlifted relief and medicines for Sri Lanka and the Maldives the same evening and the very next day our hospital ship was in place in Sri Lanka and Indonesia. We did our utmost to provide material and other help to neighbouring Pakistan for relief and rehabilitation of victims of the earthquake. At the International Conference in Geneva organized by the UN Emergency Relief Coordinator, we also pledged US \$25 million for assistance to Pakistan. India has also offered bilateral assistance to many other countries affected by natural disasters in the Asia-Pacific, African and Central American regions.

Excellencies, By supporting local and national recovery processes at an early stage, it is possible to close the gap between relief and development and to transform disasters into opportunities for sustained development. India is convinced of the need for continuing international engagement in the post-disaster period, for restoring livelihoods, building resilience and reducing vulnerability. We hope that the international community will focus on meeting this need even as we address emergency relief issues. International cooperation in disaster and humanitarian relief is the praxis of that ancient Indian idea - "the world is one family". That is what breathes life into international solidarity and gives meaning to the idea of multilateralism in the lives of ordinary people.

Disasters can and do afflict both the developing and the developed countries. The developing countries unfortunately lack the capacities and resources to cope with the immediate aftermath of disasters and need assistance from the international community to save lives affected by sudden onset disasters. India has always supported efforts aimed at addressing the difficulties faced by the developing countries. We see the CERF as an instrument conceived to address a vital need of the developing world and

will support in fulfilling the noble objective for which it was conceived.

Excellencies, I am happy to announce the Government of India's contribution of US\$ 2 million to the CERF. Thank you.

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513. Press Release of the Ministry of External Affairs on Minister of State Anand Sharma announcing India's US\$2 million contribution to new Central Emergency Response Fund (CERF) at UN.

New Delhi, March 10, 2006.

Mr. Anand Sharma, Minister of State for External Affairs, announced Government of India's contribution of US \$2 million to the new Central Emergency Response Fund (CERF) at a High-Level Meeting held at the United Nations in New York on 9 March 2006 to formally launch the Fund.

The Minister of State highlighted the efforts made by India in recent years to significantly strengthen the country's disaster management capacity and informed the gathering about the setting up of a National Disaster Management Authority in India under the Chairmanship of the Prime Minister, and the upcoming SAARC Regional Disaster Management Centre. He added that India would be happy to share its skills and expertise with the members of the international community. He recalled the assistance extended by India to other neighbouring countries in the immediate aftermath of the Tsunami and to Pakistan for relief and rehabilitation of victims of the earthquake. He highlighted the need for a longer-term solution to disasters through the development of the capacity of countries to mitigate the effects of and manage their response to natural disasters. He highlighted the importance of medium and long-term rehabilitation, reconstruction and risk reduction efforts of the Governments of the affected countries and underlined the need for continuing international engagement in the post-disaster period for restoring livelihoods, building resilience and reducing vulnerability.

CERF was approved by the General Assembly in December 2005. It has been set up to provide a more predictable and timely response to

humanitarian emergencies. The Fund would help save lives in sudden onset disasters by cutting down the time required for raising resources in the immediate aftermath of disasters and would address the needs of those 'neglected emergencies' that do not have the benefit of high media attention.

The Fund was launched by the UN Secretary-General, Mr. Kofi Annan. The President of the UN General Assembly, who was present on the occasion, welcomed the launch of the Fund. The other keynote speakers at the High-Level Meeting were Dr. R.H. Keith Mitchell, Prime Minister of Grenada, on behalf of CARICOM; Mr. Hilary Benn, Secretary of State for International Development, United Kingdom; and Mr. Jean-Louis Schiltz, Minister for Development Cooperation and Humanitarian Affairs, Luxembourg. 37 Member States spoke during the High-Level Meeting in support of CERF. An NGO representative and a representative from the first private sector contributor to the Fund also spoke. Of the US \$500 million target for the CERF, pledges for over US \$254 million were made by the end of the Meeting, which is in addition to the existing US \$50 million loan component that is already available to the CERF.

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514. Press Release of the Ministry of External Affairs on the United Nations Democracy Fund(UNDEF).

New Delhi, May 4, 2006.

1. The recently set up United Nations Democracy Fund (UNDEF) has announced its online call for the first round of UNDEF grants and has initiated the process of inviting project proposals. For project guidelines and details of the online application process, the websites <http://www.un.org/democracyfund> or [http:// www. undemocracy-fund.org/submit.html](http://www.undemocracy-fund.org/submit.html) may be visited. The last date for making project applications is 15 May 2006.
2. The funding priorities for projects would include strengthening democratic dialogue and support for constitutional processes; civil society empowerment; civic education; voter registration and strengthening of political parties; citizen's access to information; human rights and fundamental freedoms; and accountability, transparency and integrity. Eligible beneficiaries would include government agencies; independent and constitutional bodies; civil

society organizations and non-government organizations; global and regional inter-government bodies, organizations and associations; and the UN, including its relevant departments, specialized agencies, funds and programmes working in this field.

3. As the world's largest democracy, India has a large number of institutions, civil society organizations, NGOs and other bodies with considerable expertise in various areas related to the UN Democracy Fund, especially institution building, capacity building, awareness creation and leadership development.
4. Given India's deep rooted commitment to the principles and values of democracy, the Government of India hopes that institutions, civil society organizations and other agencies with relevant capabilities will send meaningful project proposals in large numbers for consideration by the UNDEF.
5. It may be recalled that India was one of the first countries to support the creation of the UN Democracy Fund. The Hon'ble Prime Minister of India had participated in a ceremony to launch the Fund held in New York on 14 September, 2005 during the World Summit 2005. Out of a total amount of nearly \$49 million pledged to the UNDEF, India has made a contribution of \$10 million and is represented on the Fund's Advisory Board by its Permanent Representative to the United Nations in New York.

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515. Press Release of the Ministry of External Affairs on the election of Indian candidate Chandrashekhhar Dasgupta to the Committee on Economic, Social and Cultural Rights of ECOSOC for 2007-2010.

New Delhi, May 12, 2006.

In elections held on 10 May 2006 in the 54-member Economic and Social Council (ECOSOC), India's candidate Shri Chandrashekhhar Dasgupta was elected to the Committee on Economic, Social and Cultural Rights for the term 2007-2010.

The Committee on Economic, Social and Cultural Rights deals with

the International Covenant on Economic, Social and Cultural Rights to which India is a Party. The Members nominated to the Committee are experts with recognized competence in the field of Human Rights, who serve in their personal capacity.

Shri Chandrashekhar Dasgupta, who was a member of the Indian Foreign Service for 38 years before retiring in 2000, was India's Ambassador to China, Belgium and Luxembourg, the European Union and India's High Commissioner to Singapore and Tanzania. Shri Dasgupta is currently a Distinguished Fellow at The Energy and Resources Institute (TERI) where he works on climate change and sustainable development issues. He is the author of War and Diplomacy in Kashmir, 1947-48.

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516. Media Briefing by Official Spokesperson on the announcement of the candidature of Shashi Tharoor for UN Secretary General.

New Delhi, June 15, 2006.

Official Spokesperson: Good Evening. I have a number of issues from my side to talk about. First, an announcement...

India strongly supports the principle of regional rotation under which the next Secretary General of the United Nations should be from Asia. The Asian Group within the UN had approached other Groups, seeking their support for this principle, and the African Group has already confirmed its support. We hope that other regional groups would also articulate support for the rotational principle.

India also believes that a prospective UN Secretary General should have impeccable credentials, be acceptable to the broadest possible membership of the UN and have a strong commitment to the reform of the UN and the interests of the developing countries.

It is in this framework that India has decided to announce the candidature of Mr. Shashi Tharoor, Under Secretary General for Communications and Public Information at the United Nations. Mr. Tharoor, an Indian national, is a distinguished son of Asia, who has served the UN in diverse capacities since 1978. During his long innings at the UN, Mr.

Tharoor has held a number of key positions in various areas including peacekeeping, UNHCR and UN's communications strategy, with particular responsibility for ensuring the coherence and effectiveness of the United Nations' external message. Mr. Tharoor has been closely involved in the process of the reform of the United Nations.

Mr. Tharoor is a well-known writer. He is the author of eight books, as well as numerous articles, op-eds and literary reviews in a wide range of publications. He is also the recipient of several journalism and literary awards, including a Commonwealth Writers' Prize.

In January 1998, Mr. Tharoor, was named by the World Economic Forum in Davos, Switzerland, as a "Global Leader of Tomorrow". Mr. Tharoor is an elected Fellow of the New York Institute of the Humanities and a member of the Advisory Board of the Indo-American Arts Council.

Born in London in 1956. Mr. Tharoor was educated in India and the United States, completing a PhD in 1978 at the Fletcher School of Law and Diplomacy at Tufts University, where he also earned two Master's Degrees. He was awarded the honorary degree of Doctor of Letters in International Affairs by the University of Puget Sound, United States.

Mr. Shashi Tharoor's internationally acclaimed stature and experience make him eminently suitable to become the next Secretary General of the United Nations.

India has informed, through diplomatic channels, other member states of the United Nations of its nomination of Mr. Shashi Tharoor's candidature and requested their support.

Question: So does that mean that India is no longer interested in a seat in the UN Security Council?

Official Spokesperson: They are separate issues and it is incorrect to perceive India's support for one as dilution of our commitment to the other. India is a founder member of the United Nations and we have consistently and significantly contributed to all aspects of its functioning. India is strongly committed to comprehensive reforms of the United Nations and believes that the reform and expansion of the Security Council in both permanent and non-permanent categories is central to the process of UN reforms. As far as that is concerned there is widespread and growing appreciation of India's impeccable credentials to become a permanent member of the Security Council. There has been a steady accretion of

support in our favor since the candidature was announced in 1994. India remains committed, I may mention, to the G-4 Initiative and continues a policy of engagement of G-4 and other member states to achieve the objective of UN reform. India's nomination of Mr. Shashi Tharoor for the post of UN Secretary General is based on a commitment to rotational principle under which the next Secretary General should be from Asia and Mr. Tharoor's internationally acclaimed stature, achievements and experience.

Question: Has there been any discussion with any member of the P-5 in advance of this?

Official Spokesperson: We have taken up this issue of seeking support for the candidature of Mr. Tharoor through diplomatic channels with all member countries of the United Nations.

Question: Any feedback from China?

Official Spokesperson: I do not have feedback from individual countries. Certainly, our Missions are actively seeking support of the member countries of the UN.

Question: There are a number of candidates from Asia.

Official Spokesperson: Yes there are.

Question: Will it not create problems because ASEAN also has its own candidate?

Official Spokesperson: All these considerations - pros and cons - have obviously been taken into consideration by the government in deciding to support Mr. Tharoor's candidature.

Question: What is in it for India?

Official Spokesperson: I think it is a matter of pride for a son of India, a son of Asia to be the UN Secretary General.

Question: When are the elections supposed to be held?

Official Spokesperson: If I am not wrong, this matter usually comes up before the General Assembly in October and carries on but the process involves the Security Council also making a list of the candidates by, I think, mid July.

Question: Is it going to be one name or they have more names?

Official Spokesperson: Traditionally, the Security Council recommends one name.

Question: Isn't he perceived to be too close to Mr. Kofi Annan...US support...

Official Spokesperson: These are perceptions you may have or somebody else may have. As far as we are concerned, we have based our support for his candidature on his impeccable credentials, on his very considerable achievements and on his tremendous experience within the United Nations.

Question: Has any Indian ever been nominated?

Official Spokesperson: No Indian has held that office.

Question: Nominated...

Official Spokesperson: I do not think so.

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517. Press Release of the Ministry of External Affairs on India making a pledge of US \$ 2 million to Peacebuilding Commission's Fund.

New Delhi, June 23, 2006.

1. India has decided to make an initial commitment of US \$ 2 million to the Peacebuilding Fund proposed to be set up under the newly established Peacebuilding Commission (PBC) at the United Nations.
2. India had welcomed the proposal contained in the 2005 World Summit Document to establish a Peacebuilding Commission at the UN, as an inter-governmental advisory body to help countries in the process of post-conflict peacebuilding, recovery, reconstruction and development.
3. As a part of its composite engagement with other member states on issues related to the reform of the United Nations, India has been constructively involved in discussions to set up and operationalise

the PBC. While the PBC was established in December, 2005, the process of forming its Organisational Committee was completed in May, 2006. The UN Secretary General has scheduled the first meeting of the Organisational Committee at the UN in New York today.

4. India has been selected as a member of the Organisational Committee of the PBC under the category of the top five providers of military personnel and civilian police to the UN peacekeeping operations.
5. India is among the longest serving and largest troop contributors to UN's peacekeeping activities. More than 85,000 Indian troops, military observers and civilian police officers have participated in 42 out of the 60 peacekeeping missions established since the inception of the UN. 116 Indian soldiers have made the supreme sacrifice while serving in UN peacekeeping operations, and have been awarded the Dag Hammarskjold Medals.
6. Besides continuing its active contribution to the UN peacekeeping operations, India also attaches high importance to the issues related to peacebuilding, on which the Peacebuilding Commission will be rendering advice and assistance at the request of prospective recipient countries. India looks forward to making positive contribution to PBC's functioning, especially in areas of capacity building.

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518. Press Release of the Permanent Mission of India at Geneva on the visit of Minister of State E. Ahamed .

Geneva, June 27, 2006.

Shri E. Ahamed, Minister of State for External Affairs, addressed the 60th Session of the Governing Council of the United Nations Compensation Commission (UNCC), being held in Geneva from 27-29 June 2006.

UNCC was established in 1991 to process claims and compensation for losses arising out of Iraq's invasion of Kuwait. UNCC functions as a subsidiary organ of the United Nations Security Council (UNSC). The

Governing Council of the UNCC is the main body that determines the policies of UNCC within the framework of relevant UNSC Resolutions.

In his address to the Governing Council, Shri E. Ahamed called for the acceptance of claims owing to lack of information or access to relevant documentation. He urged the Governing Council to extend the deadline of 30 September 2006 for filing of claimants and the deadline of end June 2006 for verification of erroneous payments made by the UNCC. Shri E. Ahamed also emphasized that the genuine and poor claimants should not be denied justice and invited a fact finding mission of the UNCC to visit India at the earliest. It may be recalled that of the approximately 200,000 persons affected over 147, 000 claims were made on behalf of Indian nationals and over US\$ one billion has been disbursed as compensation awards.

Shri E. Ahamed also had occasion to discuss these issues with the concerned officials of the UNCC, including the Executive Secretary, Mr. Rolf Goran Knutsson. He expressed his appreciation for the cooperation being extended by the UNCC to Government of India in its endeavour to help the Indian claimants.

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519. Press Release of the Ministry of External Affairs on the visit of India's Candidate for the Post of UN Secretary General Shashi Tharoor to the African Union Summit in Banjul, The Gambia.

Banjul (The Gambia), July 4, 2006.

Mr. Shashi Tharoor, Under Secretary General at the United Nations and India's candidate for the post of the UN Secretary General visited Banjul (The Gambia) from June 29 – July 1, 2006 to interact with African leaders during the African Union (AU) Summit in Banjul, and seek their support for his candidature.

Mr. Tharoor addressed an Informal Session of the AU Executive Council at the level of Foreign Ministers on 30 June, in both French and English. He presented his candidature at this august gathering in the framework of India's traditionally close relations with African countries and his impeccable credentials. Spelling out his vision for the United Nations, he emphasized that both continuity and change were important. He recalled

Mahatma Gandhi's exhortation that those who want change should become a part of it. Mr. Tharoor's address was received with overwhelming acclamation. Mr. Tharoor was a special invitee at the State Banquet hosted by the President of The Gambia.

Mr. Tharoor met with Heads of State/Government, Foreign Ministers and other dignitaries from a large number of African countries. African leaders responded to Mr. Tharoor's candidature in highly supportive terms, underlining the warmth and friendship characterizing the relations between India and African countries. They appreciated that Mr. Tharoor had chosen the AU Summit to launch his campaign after his candidature was officially announced by Government of India.

Government of India's delegation to the AU Summit, led by Mrs. Shashi U. Tripathi, Secretary (West) coordinated the programme of Mr. Shashi Tharoor's visit and requested support for his candidature during their meetings with African leaders.

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520. Press Release of the Ministry of Defence on Defence Minister's meetings in New York.

New Delhi, September 21, 2006.

The Defence Minister Shri Pranab Mukherjee arrived in New York on the evening of September 19, as the leader of India's delegation at the General Debate of the 61st General Assembly. Shortly after his arrival, Shri Mukherjee attended a reception hosted by the US President Mr. George Bush, where he had the opportunity to interact with his host and other world leaders.

Yesterday, Shri Mukherjee began his engagements by meeting with Mr. Jaap de Hoop Scheffer, Secretary General of the North Atlantic Treaty Organization (NATO). During the meeting, the two dignitaries discussed current issues and political perspectives, in particular, covering areas relating to the field of regional security.

This meeting was followed by a meeting between the Defence Minister and President Stjepan Mesic of Croatia. The two leaders discussed the potential role of Croatia as a gateway into Europe, apart from other topical regional issues.

In the afternoon, Shri Mukherjee participated in a meeting of Brazil, Russia, China and India. The meeting was convened by the Russian Foreign Minister Mr. Lavrov, and was also attended by the Chinese Foreign Minister Mr. Li Zhaoxing and the Brazilian Foreign Minister Mr. Celso Amorim. The meeting provided an opportunity for discussions on issues including the ongoing logjam in the negotiations at the World Trade Organization and issues relating to energy conservation and energy from renewable sources. There was also a brief discussion on the situation in West Asia. The leaders agreed that such meetings in an open-ended format would form a useful method for coordinating positions in future and would continue wherever convenient.

Thereafter, the Minister met Mr. KP Sharma Oli, the Deputy Prime Minister and Foreign Minister of Nepal, and Ms Dora Bakoyannis, Foreign Minister of Greece. The Nepalese Deputy PM and the Defence Minister exchanged views on the regional situation, including on the ongoing dialogue between the Government of Nepal and the leaders of the Maoist movement. The Defence Minister reiterated full support of New Delhi to Kathmandu in taking forward the peace process.

In the meeting with Foreign Minister Ms. Bakoyannis of Greece, discussions centred on bilateral issues, the need for effective action against terrorism, matters of concern in the United Nations, and on the scope for cooperation in the search for renewable sources of energy.

In the evening, Shri Mukherjee attended a reception hosted by President Kufuor of Ghana in honour of the outgoing Secretary General, Mr. Kofi Annan, and a reception by the President of the 61st General Assembly, Sheikha Haya Rashed Al-Khalifa, who is only the third lady to hold this post, the first being Vijayalakshmi Pandit of India.

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521. Key Note Address by Commerce Minister Kamal Nath at the UNCTAD High Level Policy Dialogue.

Geneva, October 4, 2006.

- The recent decades have witnessed a sharp acceleration in the growth of the global economy. Underpinned by worldwide productivity growth, the processes of globalisation and liberalisation are inexorably leading the world towards greater economic openness, inter-dependence and integration. These trends have manifested themselves through higher levels of international trade, cross border capital flows and increasing integration of financial markets.
- The entry of billions of workers into the world economy has also had an important effect on global growth and poverty reduction in developing countries, even though the impediments to mobility of professional service suppliers across borders have not been seriously addressed. Nevertheless, wealth has been created across the world.
- A remarkable feature of the current economic expansion has been the participation and performance of developing countries. Many developing countries have consistently outperformed the developed countries in output growth. Within the developing world also, the growth has been fairly broad-based, with Africa growing at around 5% in the last three years. UNCTAD's Trade and Policy Report 2006 finds that Sub-Saharan Africa is expected to grow at 6.6% in 2006, the highest growth rate of a sub-region after East Asia. Significantly, the improved output growth of developing countries in recent years is matched by their performance in international trade. This does not, however, mean that our job is done, and developing countries, large and small, are firmly on a path of sustained growth and development fuelled by trade.
- UNCTAD has been playing a vital role to address the development dimension of the international trading system given its mandate as the focal point within the United Nations for the integrated treatment of trade and development and the inter-related issues in the areas of finance, technology, investment and sustainable development as defined in the Sao Paulo Consensus. I recall my meeting with Dr. Supachai Panitchpakdi, Secretary General, UNCTAD, during his visit to New Delhi in November 2005. At the outset, I would like to reiterate

India's willingness to work to strengthen UNCTAD. The High Level Policy Dialogue presents a useful and timely opportunity to share my views.

- The timing of the present discourse is significant. We are on the cusp of the multi-lateral trading systems development oriented evolution and reform, and against the background of some paradigm shifts taking place in international trade and development. It is also an occasion for the international community to affirm, that despite our involvement in over 300 RTAs, PTAs, regional and inter-regional, North-North, North-South and South-South, we attach importance to the WTO as a central pillar governing the regulation of trade relations globally. Equally, and in the context of the UN reform efforts, we support the focal point role of UNCTAD in the UN system for the integrated treatment of trade and development through its independent research and beyond conventional wisdom analysis, beneficiary-driven technical cooperation and knowledge based consensus building functions.
- In recent years we have witnessed certain paradigm shifts in international trade and development. There has been an intensification of the "new geography of international trade" wherein countries of the South are moving from the periphery towards the centre. My own country is contributing to this dynamism with a services success story to tell, and ambitions of becoming a global manufacturing hub and one of the world's most attractive investment destinations. South-South trade liberalisation and economic integration has gathered pace in an unprecedented way both regionally and inter-regionally. Demography trends are creating a growing "Human Resource and Youth Reservoir" in developing countries (like India) along with a preponderance of aging populations in developed countries. Comparative advantages in trade are increasingly weighted in favour of knowledge intensive and innovation driven products and services.
- Since the time that UNCTAD was founded, the world has evolved. Much, however, still needs to be done to create an international enabling environment conducive to the accelerated and sustained growth of developing countries consistent with their special circumstances and their national priorities. UNCTAD can, and should, continue to play its important role in this relentless pursuit of

development. It should continue to examine the interface between the international trading system and national development strategies with a view to assuring that the processes of globalization and liberalization bring benefits to all.

- Development is a shared responsibility, a collective endeavour. The search for solutions to the challenges of development cannot but be a shared objective among all countries to ensure enhanced welfare for all. The geo-political and economic relations, as they have thus far evolved, have had a positive impact on the development and poverty reduction of many developing countries. They have contributed a note of optimism regarding the achievement of the United Nations Millennium Development Goals. However, the statistics hide a number of worrying features which the world can only ignore at its peril. Some of the danger signals are already evident – continuing protectionism in developed countries, and turbulence in energy markets are only a few examples of such dangers.
- One of the most important factors contributing to global imbalances is the inability of many developing countries to take advantage of the economic expansion. The structural factors which contribute to such market failures have to be urgently addressed if the current phase of growth is to be sustained. In a globalised world where economic decisions are increasingly taken by markets, market failure leading to exclusion of countries and regions remains a major challenge. To address it, apart from strengthening a rule based and fair multilateral trading system which is in the shared interest of all, each country must also have policy space and ability to choose what is most appropriate for its circumstances and its people.
- In order to address the prevalent imbalances and asymmetries in the global economic system, it is also necessary to re-visit the institutional architecture involved in the governance of globalisation. This architecture includes the UN System, the Bretton Woods Institutions and the WTO. The structure and objectives of these institutions have to reflect the deep-seated changes that have taken place since they were established. Setting aside my views on the systemic changes required in the UN and the Bretton Woods Institutions for a relevant forum, let me confine myself today to international trade and development.

- The suspension of the Doha Round Negotiations in July has brought into focus not only the substantive issues which are the subject of discord, but also the institutionalised asymmetries which continue to pervade the WTO after its emergence from the GATT. While its professed objective is greater openness in all aspects of trade, in practice this objective is observed in a highly selective manner that reflects the predilections and concerns of developed countries. Let me give just a few examples of this selective openness:
- National borders should matter less and less for merchandise trade and capital flows. But we are told – don't talk about technology flows and labour flows.
- Subsidies are bad for industrial sectors, but on agricultural subsidies, the only thing we hear is that we'll get back to you. o Tariffs should be transparent and ad valorem in the industrial sector. In agriculture, now, that's something else!
- The private interests of IPR holders are sacred; issues of public interest regarding intellectual property are of a second order.
- I could go on about this. But the basic point is that unless we deliver on the agreed development dimension under the Doha Round, the underpinnings of the WTO will continue to address mainly the mercantilist interests of the developed countries.
- It is important for the WTO to resolve the issue of inequitable integration through both political and institutional measures. At the political level, we must recognise the current asymmetries, and agree to do away with them in the present Round of negotiations. This would involve in agriculture, for instance, a clear understanding, both on the removal of distortions caused by developed countries' measures as well as an understanding on S&D measures required by developing countries to manage their concerns regarding subsistence, small and low-income farmers, food security and livelihoods in their agricultural sectors. Similarly, in manufactures, the concerns of small-scale and labour intensive production as well as of infant industries must be addressed through effective flexibilities. In services, developing countries have acquired skills in the delivery of a number of services, for example through cross border trade (Mode 1) and movement of natural persons (Mode 4) that are critical to their trading partners. For globalization to entail win-win scenarios,

the comparative advantage of developing countries should not be stifled by protectionism in their developed partners.

- As far as institutional measures are concerned, there is a need for greater emphasis on capacity building and technical assistance to enable smaller developing countries to participate meaningfully in the negotiations. Supply side constraints in such countries have to be tackled through an effective Aid for Trade Programme that ensures additionality of resources, predictability and need-based programmes that improve the capacity of the recipient countries to take advantage of increased opportunities. In order for Aid for Trade to be effective, it needs to be channelled multilaterally and integrated into country development strategies. In terms of decision making, this implies greater emphasis on transparency and openness. Considerations of efficiency alone cannot be allowed to prevail over the need for inclusive decision making procedures to ensure equity and sustainability of the decisions.
- As someone who has been deeply involved with the current Round of negotiations in the WTO, I cannot assert with any degree of confidence that these changes are being made in the WTO. Judging from the progress so far, talk of a Development Round remains largely rhetorical. Issues of serious concern to developing countries like cotton, ushering in fair and undistorted agricultural world trade, Duty Free Quota Free Treatment for LDC's, Implementation Issues, etc. remain unresolved. The fundamental principle of S&D treatment for developing countries to address their concerns of policy space in the major areas of negotiations remains deadlocked. There is as yet, no recognition by some developed countries that the basic premise of a Development Round is primacy for the development needs of developing countries, and not market access for developed countries. Under these circumstances, much needs to be done to maintain the confidence and optimism of the developing countries in this Development Round.
- Trade exchanges among the developing countries constitute a promising area of current and future trade growth. According to the Trade and Development Report, 2005, the share of South-South exports in total developing country exports increased from 27% in 1985 to 43% in 2003 i.e. from US\$ 97 b to US\$ 921 b. Exploring the full potential of South-South trade remains a desirable objective.

GSTP is an important vehicle for promoting South-South cooperation. We are actively participating in the ongoing third round of negotiations of the GSTP that was launched at Sao Paulo in 2004, and would like to see its early successful conclusion.

- Moreover, India is forging links through regional trade, free trade and comprehensive economic cooperation agreements. We have recently concluded a successful Summit of the IBSA (India-Brazil-South Africa) trilateral partnership. We have been sharing our experience in information technology, biotechnology, pharmaceuticals, medical sciences, and remote sensing with our friends from the developing world, including the developing countries of Africa and Asia. Indian entrepreneurs are taking a serious look at trade cooperation and closer investment in our larger neighbourhood. We believe that these South-South initiatives serve to complement the multilateral trading system. This does not diminish our firm belief in the benefits that can potentially accrue from a fair and strengthened multilateral trading system.
- UNCTADs mandate must remain the enhancement of development opportunities for developing countries. It must continue to make a real contribution to assist developing countries confront today's complex trade and development challenges.
- As a knowledge-based body, UNCTAD needs to remain ahead of the curve in generation of ideas and in addressing issues related to integrated treatment of trade and development. It has the wherewithal to serve as a brains trust for development-friendly and innovative analyses and policy options.
- UNCTAD should continue to examine, from the development perspective, the inherent asymmetries and inequalities in the international market place and its structural limitations. UNCTAD can play a role in supply-side productive and trade capacity building, in working on issues related to trade diversification, strengthening of technological capacity, and addressing the development dimension of intellectual property rights.
- Development, we reiterate, is a shared responsibility, a collective endeavour. Shared responsibility should beget a shared programme for development and a collective response. To this end, there is a need for an effective, results-oriented partnership between the

developing and the developed countries. Let us not confront each other; let us together confront the problems, the challenges of development that we face today; and, it is in this context, that UNCTAD must act as an effective bridge between developed and developing countries on the entire range of issues relating to globalization, trade and development.

- Finally, I assure the UNCTAD community of my commitment to work with them to achieve our common goals and objectives, and to wish this High Level Policy Dialogue all success. Thank you.

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HUMAN RIGHTS COUNCIL

522. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Human Rights Council of the Informal Plenary Meeting of the UN General Assembly.

New York, February 2, 2006.

Please See Document No. 536.

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523. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Human Rights Council of the Informal Plenary Meeting of the UN General Assembly.

New York, February 7, 2006.

Please See Document No. 537.

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524. Statement by Representative of India at the Presentation of the High Commissioner's Strategic Management Plan for the Biennium 2006-07 by the High Commissioner for Human Rights.

Geneva, March 6, 2006.

Madam High Commissioner, I would like to join others in complimenting you in bringing out the first Strategic Management Plan for the biennium 2006-07. This document outlines the OHCHR's strategic priorities, targets and the activities planned to achieve them. The Plan is expected to deliver tangible results in promotion and protection of human rights and empowerment of all people.

India supports the underlying spirit of the Strategic Management Plan. We have in the past, supported the High Commissioner's efforts in promotion

and protection of human rights, inter alia, through financial contributions to the Voluntary Fund for Technical Cooperation. We would continue to support OHCHR's future endeavours in this regard.

Thank you.

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525. Press Release of the Ministry of External Affairs on India's election to the first UN Human Rights Council.

New Delhi, May 10, 2006.

India scored a major success yesterday at the United Nations when it was elected to the first United Nations Human Rights Council securing the highest number of votes among the contested seats by polling 173 votes out of 190 votes.

This was a recognition of India's diplomatic standing in the comity of nations today and its commitment to promotion and protection of human rights. It is also a reflection of the success that India has had with its diplomatic demarches made in New York and through the Indian Missions abroad to the members of the United Nations.

As a democratic and pluralistic country, committed to the rule of law, Indian presence on the new Human Rights Council would bring a unique perspective to the new body during its formative phase. India has been a committed supporter of the UN human rights system and the promotion and protection of human rights is ingrained in its domestic and foreign policies.

In one of the largest elections at the United Nations, 47 members of the Human Rights Council were elected by secret ballot. These elections were held in pursuance of a resolution of the United Nations General Assembly, which was adopted on 15 March 2006 to establish the Human Rights Council (HRC) to replace the Commission on Human Rights (CHR).

Under the current distribution of seats, the Asian Group has 13 seats, African Group has 13, Latin American and Caribbean Group has 8, Western and other Countries Group has 7, and Eastern European has 6 seats. The African Group was the only one to produce a clean slate, with the number of candidates and seats being equal. For the rest of the regional groups, especially in the case of Asia and East Europe, the number of candidates

considerably exceeded the number of available seats, making it a fiercely contested election. After India, other top vote getters among the contested seats were Brazil (165), Indonesia (165), Bangladesh (160), Japan (158), Argentina (158), Malaysia (158), Germany (154) and Mexico (154).

Following the HRC elections, a draw of lots was held to decide the term of the newly elected members. India has been drawn for a one-year term. The first year of the Human Rights Council is important since the work methods and procedures would be decided and the review of the special provisions and mechanisms from the CHR would be carried out. The countries would be eligible for re-election to a full second term of three years.

India attaches great importance to the newly constituted Human Rights Council and will work to make the Council a strong, effective and efficient body capable of promoting and protecting human rights and fundamental freedoms for all.

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526. Statement by Minister of State Anand Sharma at the High Level Segment of UN Human Rights Council.

Geneva, June 19, 2006.

Mr. President, President of the General Assembly, Secretary General of the United Nations, High Commissioner for Human Rights, Excellencies, Ladies and Gentlemen,

On behalf of the Government of India, I would like to congratulate you, Mr. President, on your election as the President of this historic first session of the Human Rights Council. We are confident that under your able guidance, this Council shall have a smooth and effective beginning. May I assure you of our full support in this endeavour.

I feel privileged to be present here today to witness this landmark moment, the birth of a new organization, the Human Rights Council. A few months back, the Member States of the United Nations demonstrated again their unwavering commitment to strengthen the UN human rights machinery when they resolved to create the Human Rights Council as a subsidiary of the UN General Assembly. They recognised the need to reform the international human rights machinery to secure effective enjoyment by all of all human rights, including the right to development.

This is a milestone in the long journey that we have collectively undertaken since the adoption of the Universal Declaration of Human Rights in 1948. The Twentieth Century witnessed many upheavals and instances of denial of human rights. It also witnessed gradual development of an international human rights machinery to respond to these challenges. While there have been some successes, we are still a long way from realising the goal of "inherent dignity of man", as promised in that Declaration, for many around the world. By establishing the Human Rights Council, the international community has reaffirmed its resolve and commitment to constantly adjust and improve its framework for addressing human rights challenges.

Mr. President, People around the world have high expectations from the new Council. They hope that the new body will make a real difference on the ground and give voice to the concerns and aspirations of the underprivileged. Much has been said in the recent past about the achievements and shortcomings of the former Commission on Human Rights. While there is a clear recognition of the Commission's tremendous contribution in the areas of standard setting and development of human rights norms, it is also commonly recognised that the Commission's credibility and effectiveness suffered because of politicisation. We now have a new body and it is up to us to make this body a success, by introducing a new work culture of cooperation and mutual understanding and to avoid repeating the mistakes of the past.

In its first year the new Human Rights Council is to establish a Universal Periodic Review mechanism, which should ensure equal treatment of all Member States and also prevent selectivity and double standards. While improving and rationalising mandates, mechanisms, functions and responsibilities of the former CHR, the HRC should adopt an even-handed approach in dealing with civil and political rights on the one hand and economic, social and cultural rights, including the Right to Development, on the other. It also needs to work towards transforming into reality the commitment to the Right to Development contained in the Resolution establishing the HRC.

Another major challenge that the international community is confronted with today is that emanating from terrorism. Terrorism is one of the greatest scourges of our times. The international community should recognize that terrorism is a direct violation of human rights, in particular the most basic rights, the right to life and liberty.

Mr. President, India has a long tradition of promoting and protecting

human rights. It was privileged to be in the forefront of the struggle against apartheid since even before independence.

Our commitment to human rights flows from our firm belief that in a truly pluralistic society, growth and welfare of citizens can be ensured only through a culture of promotion and protection of human rights. This was the vision of our nation's founding fathers who, while very carefully framing our Constitution, guaranteed fundamental civil and political rights and also made provisions for the progressive realization of economic, social and cultural rights.

Our democratic polity with an independent and impartial judiciary, free and independent press, a vibrant civil society and powerful and independent National Human Rights Commission provide the basis for nurturing a culture of respect for and promotion and protection of human rights in India. These institutions guarantee full and free enjoyment of human rights by all our citizens.

India has also taken an important initiative for the empowerment of women by reserving one-third of all seats for women in urban and local self-government, thus bringing over one million women at the grassroots level into political decision making. Meanwhile, the right to work is being significantly realised with the launch of the National Rural Employment Guarantee Programme earlier this year.

Having said that, Mr. President, India's commitment to the promotion and protection of human rights is not limited only to our domestic concerns. It is also integral to our foreign policy. We attach great importance to the work of the United Nations human rights machinery. We have actively participated in deliberations on human rights in international fora for promotion and protection of human rights and fundamental freedoms for all. India played a leading role in the historical struggle for decolonization and abolition of apartheid. We were among the very few select countries who were members of the former Commission of Human Rights throughout over 60 years of its existence.

Mr. President, The Human Rights Council should emerge as a forum for voluntary participation and sharing of national experiences and best practices in the protection and promotion of human rights. As national governments shoulder the primary responsibility for the protection of human rights, the Council should devise means to provide, upon their request, technical and financial assistance to enable them to more effectively address human rights concerns. Only in this way can we create an environment of

trust and confidence which will encourage those who are in real need, to come forward and seek assistance to build up their capacities to harness their resources for promotion and protection of human rights in their respective countries.

Mr. President, We may recall Mahatma Gandhi's conviction that means are always as important as ends. This is particularly relevant in today's context. We all agree on the larger objectives to be pursued through the UN human rights system. However, it is equally important to ensure that the means for attaining those objectives do not create confrontation and divisiveness.

As we look ahead to the future and craft a vision for a peaceful and humanitarian world order, I can do no better than recall what our Prime Minister Dr. Manmohan Singh said in a recent speech and I quote: "Our nation was built on the foundations of a deep and abiding commitment to the values of liberal, social democracy. Pluralism, secularism, multi-culturalism and the principles of equity, social justice and the rule of law are core values of our civilisation and the bedrock of our Republic. If there is an "idea of India" by which India should be defined, it is the idea of an inclusive, open, multi-cultural, multi-ethnic, multi-lingual society. I believe that this is a dominant trend of political evolution of all societies in the 21st century. Therefore, we have an obligation to history and mankind to show that pluralism works"

At the heart of this vision lies the individual, and our commitment to human rights is a manifestation of our commitment to guarantee every human being a life of dignity and freedom. Thank you.

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527. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 68: Human Rights Council Report at the 61st session of the UN General Assembly.

New York, November 10, 2006.

Please See Document No. 593.

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INDIA'S FOREIGN RELATIONS - 2006

SECTION - IX

(ii) DISARMAMENT

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528. Statement by Permanent Representative to the Conference on Disarmament Ambassador Jayant Prasad on Nuclear Disarmament.

Geneva, February 2, 2006.

Mr. President, My delegation would like to congratulate you on your assumption of the presidency of the Conference on Disarmament and commend your many initiatives in seeking consensus on its programme of work. I wish you success in this mission and assure you of the fullest cooperation of my delegation.

We appreciate also your initiative to extend the established convention of the presidency troika to include all the incoming presidents for the 2006 CD session. Your idea to involve them in decision-making and to invite them to the presidential consultations will ensure continuity and consistency in presidential initiatives all through the year. The five incoming presidents also deserve credit for working closely with you in creatively exploring options for commencing substantive work in the Conference.

We are satisfied that the Conference adopted its traditional agenda, by consensus, at its very first meeting. This only reflects the belief of Member States that the existing agenda of the Conference is relevant, inclusive and flexible enough for dealing with issues that they regard as important for their national security, as also international peace and security.

Having adopted the agenda, now the primary task before the Conference is to reach agreement on a programme of work. India is willing to consider any initiative that could facilitate consensus on it. 42 successive presidencies, since 1999, have grappled with this challenge. We support your initiative to invite Member States to engage in a debate on the issues on the agenda of the Conference in the hope that our deliberations today, and in the coming days, will enable us to find the common ground to reach agreement.

The goal of nuclear disarmament has been on the international agenda ever since the first nuclear weapons were built and used. The international community has accorded the highest priority to this objective, as embodied in the 1978 Final Document of the First Special Session of the General Assembly devoted to disarmament. The goal of a nuclear-weapon free world remains as important today as it was then. Prime Minister Dr. Manmohan Singh, addressing the Indian Parliament in July last year,

stressed that nuclear disarmament remains a core concern of India's foreign policy. India is committed to a nuclear-weapon free world, to be realised in a systemic and progressive manner, through global, verifiable and non-discriminatory nuclear disarmament.

As an interim measure, until the achievement of the objective of universal nuclear disarmament, India continues to support the demand of non-nuclear weapon States for multilateral and legally binding security assurances. They have regarded the existing security assurances as conditional and not legally binding. There has been, however, little progress in realizing this demand.

India has always expressed its readiness to participate in the negotiations in the Conference on a multilateral, non-discriminatory and internationally and effectively verifiable fissile material cut-off treaty. This is the essence of the Shannon mandate, which embodied the spirit of 1993 General Assembly resolution on FMCT, co-sponsored by India and many other Member States. While conscious of the developments in this regard over the past year and a half, we continue to believe that this essence should remain the basis for any future work.

The peaceful applications of space technology have very much contributed to India's socio-economic development. India has created a growing infrastructure, including deployment of several satellites in space for communications and remote-sensing and for the utilisation of space technology and assets in space for such diverse sectors as agriculture, health, education, natural resource management and disaster management. India is, therefore, committed to the peaceful pursuit of space technology and to preserving outer space, a common heritage of the mankind, exclusively for peaceful uses. We share the concerns about the dangers of deployment of weapons in the outer space and believe that this will not be in our collective interest. We regard the Conference as the appropriate forum to deal with this issue.

The agenda of the Conference is comprehensive and enjoys the support of all the member States. Likewise, for any programme of work of the Conference to enjoy the support of all member States, it will have to take into account their concerns and priorities. India has also, for instance, sought to accommodate the growing convergence on the A-5 proposal, even though its mandate had departed from CD/1570, which proposed a negotiating mandate on nuclear disarmament. Though not fully satisfied with the A-5 proposal, India decided to support it in the hope that it could

become a basis for CD's programme of work. India continues to support the proposal as it reflects, to a large extent, the priorities of most constituents of the Conference. In this context, India continues to fully subscribe to the statement made by G-21 last year.

The UN Secretary General has acknowledged, in his message to the Conference, that it is the lack of political will which has not allowed the Conference to reach consensus on a programme of work. As we have seen, procedural fixes and cosmetic changes in the existing proposals have failed to end the impasse. The underlying reasons behind the Conference's deadlock have also impacted on other multilateral processes and forums, such as in the outcome document of the 2005 World Summit. This symptomises not just a procedural failure; it reflects the deep divergences in the security concerns, priorities and goals of Member States. It is, therefore, not surprising that we have not been successful in reaching consensus on CD's programme of work.

We do not share the view that the current impasse signifies the failure of the Conference. As the sole multilateral disarmament negotiating body, the Conference has continuing relevance in today's world. There is no alternative forum that brings together militarily significant States and that can engage in negotiations on issues that directly impact on international security. If there is a divergence of views on security concerns, the same absence of convergence among key States will also impede progress in any alternative process or mechanism.

Mr. President, India believes that we need to remain engaged in deliberations, since these are an essential prerequisite for success of any negotiating process. Your pragmatic proposal to undertake an exploration of agenda issues may be an instrument of distillation, leading to the enlargement of the common ground. As Mahatma Gandhi said, and I quote: "no principle exists without its application." We must persevere in our efforts, but these should expressly be made for the purpose of establishing a programme of work. We are supporting the presidential initiative in the hope that discussions in the plenary meetings may lead to the commencement of substantive work in the Conference.

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529. Statement by Permanent Representative to the Conference on Disarmament Jayant Prasad on nuclear disarmament.

Geneva, March 2, 2006.

Mr. President, My delegation is most happy to see you in the Chair. We would like to congratulate you, the four incoming Presidents, as also Ambassador Rapacki, for organising discussions on key issues on the agenda of the Conference. You shall have our full and earnest cooperation.

In my statement today I shall attempt to provide India's assessment of the present situation in the field of nuclear disarmament and the way ahead to accomplish the goal of a nuclear-weapon free world. This is perhaps the most critical and difficult issue on the global disarmament agenda.

Efforts to address nuclear disarmament began as soon as nuclear weapons were first tested and used. Ever since, the international community has accorded the highest priority to the goal of the total elimination of nuclear weapons. The very first resolution of the UN General Assembly, Resolution 1(I) of 1946, adopted unanimously, sought the elimination of atomic weapons and all other major weapons adaptable to mass destruction from national armaments, and the use of atomic energy only for peaceful purposes.

The Final Document of the First Special Session of the General Assembly devoted to Disarmament in 1978 constitutes the basic terms of reference of the Conference on Disarmament. The agenda of the Conference, which we are in the process of addressing, derives from it. The Special Session accorded the highest priority to the goal of nuclear disarmament. It outlined concrete steps to achieve that objective. It affirmed that the ultimate goal was the complete elimination of nuclear weapons.

Some five years ago, the unanimously adopted UN Millennium Declaration reiterated the commitment of the Member States of the United Nations to strive for the elimination of weapons of mass destruction, in particular nuclear weapons, and to keep all options open for achieving this aim.

The objective factors for the increasing militarisation of international relations, a feature of the Cold War years, no longer exist. Yet, we are very

far from realising the goal of total elimination of nuclear weapons. India welcomes steps taken so far by the Russian Federation and the United States to reduce their nuclear weapons stockpiles, as also their means of delivery. India also welcomes the Russian Federation's willingness to consider further reducing its stockpiles of nuclear weapons to levels lower than those specified in the Moscow Treaty. We hope the process of bilateral reductions will be further continued.

India shares the belief that the very existence of nuclear weapons, and of their possible use or threat of their use, poses a threat to humanity. India has remained committed to the goal of a nuclear-weapon free world, to be achieved through global, verifiable and non-discriminatory nuclear disarmament. My delegation believes that there is no reason why nuclear weapons too, like biological weapons and chemical weapons, cannot be eliminated. The Conference successfully negotiated conventions to prohibit biological and chemical weapons and it has now to find practical ways of addressing the issue of nuclear disarmament in a comprehensive and non-discriminatory manner.

While India will continue to maintain a credible minimum nuclear deterrent, there is no dilution of India's commitment to nuclear disarmament, which remains a core concern of India's foreign policy. India continues to believe that the security of India and that of the entire world would be enhanced in a world free of nuclear weapons. Our position is based on the fact that India is not seeking a nuclear arms race with any other nuclear power. India's nuclear doctrine is well defined and based on a posture of no-first use and non-use of nuclear weapons against non-nuclear-weapon States. Our doctrine also reaffirms India's readiness to join multilateral negotiations for the reduction and elimination of nuclear weapons. India has continued to observe a moratorium on nuclear explosive tests. We are ready to participate in negotiations, in this Conference, on a non-discriminatory, multilateral and internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices.

India attaches the highest priority to establishment of an Ad-Hoc Committee on Nuclear Disarmament. The Group of 21 proposed this almost a decade ago. It sought to commence negotiations on a phased programme of nuclear disarmament, for the eventual elimination of nuclear weapons within a specified framework of time. India, together with 27 other members of the Group, also put forward a proposal, in August 1996, for a programme

of action for the elimination of nuclear weapons, as contained in document CD 1419.

India's preferred position has, thus, always been for negotiations on nuclear disarmament, as contained in documents CD 1570 and CD 1571. Nevertheless, India decided to support the Amorim proposal and the proposal of the Five Ambassadors, hoping that they could become a basis for consensus on a programme of work for the Conference. We recognize that given the current impasse, it may be unrealistic to expect consensus on a negotiating mandate for the Ad Hoc Committee on nuclear disarmament, but anything less than what is contained in the proposal of Five Ambassadors would not be acceptable to us.

India's resolution in the General Assembly on a "Convention on the Prohibition of the use of Nuclear Weapons", first presented in 1982, requests the Conference on Disarmament to commence negotiations for an international convention prohibiting the use or threat of use of nuclear weapons under any circumstances. The resolution reflects India's belief that a multilateral, universal and binding agreement prohibiting the use or threat of use of nuclear weapons would contribute to the mitigation of the nuclear threat as an important interim measure. It would also help create the climate for negotiations leading to the elimination of nuclear weapons, thereby strengthening international peace and security.

Pending the total elimination of nuclear weapons, India accords high priority to the need for steps to be taken to reduce the risk of unintentional or accidental use of nuclear weapons. The Final Document of SSOD-I had recommended that, to ensure that mankind's survival was not endangered, all States, in particular nuclear weapons States, should consider various proposals designed to secure the avoidance of the use of nuclear weapons and the prevention of nuclear war. The residual threats of accidental and unauthorized use of nuclear weapons can be addressed by moving towards a progressive de-alert of nuclear forces.

India's resolution on "Reducing Nuclear Danger", first presented in 1998, manifests our conviction that the hair-trigger posture of nuclear forces carries the unacceptable risk of unintentional or accidental use of nuclear weapon. This would have catastrophic consequences. The danger posed by the increased risk of nuclear weapons or its components falling into the hands of non-State actors or, in some cases, rogue actors within State structures, has further aggravated existing dangers. While unilateral, bilateral or plurilateral nuclear confidence building measures are useful,

our aim should be to reach international understanding or agreements for reducing nuclear danger, as also the risk of accidental nuclear war.

Any solution to end the impasse in the Conference on its programme of work must be responsive to the concerns of Member States of the Conference, big or small, developed or developing, nuclear-weapon States or non-nuclear-weapon States, within or outside alliances and privileged security relationships. It must address the security of all, for no State can imperil its security or allow other States to impose their will on it. The way out of the current impasse is for States to agree to deal with all core issues on the agenda of the Conference, as in the Five Ambassador's proposal.

The lack of consensus on disarmament and non-proliferation paragraphs of 2005 World Summit Outcome underscores the fact that, currently, there are sharp differences among States over the goals, priorities and approaches in the field of disarmament. These differences cannot be set aside or ignored. Such differences can only be overcome by rising above the practice followed in the past century that sought to perpetuate the asymmetric advantage of a handful of countries at the expense of collective global security. Otherwise, our inability to deal with these fundamental questions would continue to frustrate us in various disarmament forums, whether it is the First Committee, the Conference on Disarmament or the Disarmament Commission.

A basic problem afflicting the disarmament institutions and processes is the lack of trust among States. This erosion of trust further begets the lack of willingness for mutual accommodation, making progress on nuclear disarmament even more difficult. We believe that this lack of trust also belied hopes for any consensus on disarmament and non-proliferation issues at the 2005 World Summit. The international security environment will be a key determinant in enabling realisation of progressive and systemic elimination of nuclear weapons. For any breakthrough, all States will need to sincerely engage in exchanges on their approaches to nuclear disarmament and understand and accommodate each other's security concerns and threat perceptions. Trust can only be restored through a reaffirmation of the unequivocal commitment of all nuclear weapon States to the goal of the complete elimination of nuclear weapons.

A revalidation of this commitment, with further steps towards its progressive concretion, may be the right way to proceed. The goal of complete elimination of nuclear weapons, in a systemic and progressive

manner, will also be facilitated by reducing the salience of nuclear weapons in the security doctrines of nuclear-weapon States. Alignment of nuclear doctrines to a posture of no-first-use and non-use against non-nuclear-weapon States by all nuclear-weapon States will be an important step in achieving this objective. India is ready to enshrine its commitment to no-first-use and non-use of nuclear weapons against non-nuclear-weapon States in a legally binding agreement. We are also ready to multilateralise our no-first-use commitment so as to reduce the salience of nuclear weapons in the strategic realm. These measures should be within our grasp given the non-adversarial relations among major powers.

Mere tinkering with modalities or revisiting the divisive debates, especially those of the past year, is not going to help. What might be a renewed effort to create a system of global security based on the fundamental changes in the international political, economic and security environment, which could contribute to achieving the goal of total elimination of nuclear weapons. As mentioned before, for any measure of nuclear disarmament to be successful, it must be global and non-discriminatory and should enhance the security of all States. The continuing impasse in the Conference is out of tune with the aspirations of the international community, the growing democratic temper of the world, and the absolute imperative of development in an age of globalisation. That is why, Mr. President, we must persevere in our efforts in the Conference.

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529-A.Statement by Permanent Representative to the Conference on Disarmament Jayant Prasad at the UN's Disarmament Commission.

New York, April 11, 2006.

Please see Document No. 547.

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530. Statement by Permanent Representative to the Conference on Disarmament Ambassador Jayant Prasad on the FMCT.

Geneva, May 17 and 18, 2006.

Mr. President,

1. My delegation congratulates you warmly on your assumption of the Presidency of the Conference and compliments you for efforts to organize structured and interactive deliberations on the issue of prohibition of the production of fissile material for nuclear-weapons or other nuclear explosive devices. You have our full cooperation in these efforts. We welcome Ambassador Tim Caughley in his new incarnation as the Deputy Secretary General of the Conference.
2. We would also like to take this opportunity to compliment your predecessor, Ambassador Park In-Kook, now Deputy Minister for Policy Planning and International Organizations of the Republic of Korea, for his leadership in organizing useful and productive discussions on the question of nuclear disarmament on which he made available a useful compilation of views. This, together with the verbatim records of our meetings, will provide a good source for reference. Our deliberations were useful in identifying a number of issues related to the goal of achieving a world free of nuclear weapons. Several delegations, including ours, believe there is a need to establish an ad-hoc committee of the Conference on nuclear disarmament.
3. We welcome the present discussion on FMCT. This is part of our larger effort to explore and expand the common ground for reaching consensus on the programme of work of the Conference.
4. India was one of the original proponents of an FMCT. The General Assembly, in its resolution 48/75L, co-sponsored by India, had expressed its unanimous conviction that a non-discriminatory, multilateral and internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices would be a significant contribution to nuclear non-proliferation in all its aspects and had recommended the negotiation of such a treaty in the most appropriate international forum.
5. The Conference had tasked Ambassador Shannon of Canada, at

the beginning of its 1994 Session, with seeking the views of members on the most appropriate arrangement to negotiate such a treaty. Further progress was made when the Conference adopted, by consensus, his Report of 24th March 1995. He reported that delegations had agreed that the mandate for the Ad-hoc Committee to negotiate an FMCT should be based on Resolution 48/75L of the UN General Assembly. The mandate, contained in the Shannon Report, called upon the Conference to establish an Ad-Hoc Committee on a "ban on the production of fissile material for nuclear weapons or other nuclear explosive devices" and to direct the Ad-Hoc Committee to negotiate, for this purpose, a non-discriminatory, multilateral and internationally and effectively verifiable treaty.

6. The Shannon mandate clearly delineated the parameters for negotiating an FMCT. It also reflected the consensus within the international community over the basic goal of the Treaty, as embodied in the 1993 General Assembly resolution, and defined the character of the treaty that was to emerge from negotiations: it must be non-discriminatory, multilateral and internationally and effectively verifiable. The issue of verifiability of the treaty, as indeed any issues, could be raised during the negotiations. Since the principle of consensus would determine any outcome of these negotiations, delegations that have varying perspectives on different issues should be able to join negotiations on the basis of the existing mandate, as agreed in 1995, and again in 1998.
7. India continues to believe that any treaty banning the production of fissile material must be non-discriminatory: it must stipulate the same obligations and responsibilities for all States. While the nature, extent and mechanisms for verification shall no doubt be determined during the negotiations, we believe that an FMCT should incorporate a verification mechanism in order to provide the assurance that all States party to it are complying with their obligations under the Treaty. Full compliance by all States with their obligations under international instruments to which they are party is critical to the achievement of the goals envisaged in these instruments. When a State consents to adhere to an instrument, it wants to be assured that other States parties to that instrument are also complying with their obligations. Verification, which serves the dual purpose of detection and deterrence, provides that assurance. Absence of a verification mechanism may engender lack of confidence in compliance with

the treaty, encourage wilful non-compliance, and lead to allegations and counter-allegations of non-compliance.

8. As regards the scope of the Treaty, we should be guided by the General Assembly resolution of 1993, which expressed the conviction that FMCT would be a significant contribution to nuclear non-proliferation in all its aspects. An FMCT must be a treaty for banning the future production of fissile material for nuclear weapons or other nuclear explosive devices.
9. We do very much hope that our deliberations on the subject during this week, and later on the remaining agenda issues, will contribute to reaching an understanding on CD's programme of work.

The next day on May 18 Indian Representative again took the floor and made the following observation:

“I would like to recall my statement yesterday, when I had outlined India's basic approach on the issue of prohibition of the production of fissile material for nuclear weapons or other explosive devices.

In the discussions over the past three days, several proposals have been put forward in the Conference to advance our work on FMCT. The United States has presented its initiative earlier today. We hope that further discussion on these ideas and suggestions will help us collectively to move towards a consensus.”

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531. Statement by Permanent Representative to the Conference on Disarmament Ambassador Jayant Prasad on Prevention of an Arms Race in Outer Space.

Geneva, June 8, 2006.

Mr. President,

1. My delegation would like to congratulate you warmly on your assumption of the Presidency of the Conference on Disarmament. We commend your efforts in organising structured discussions on the prevention of an arms race in outer space (PAROS) and look forward to actively participating in them. You have our full and earnest cooperation in support of your endeavours. We would also like to take this opportunity to express our appreciation to Ambassador Costea of Romania for the productive discussions on a Fissile Material Cut-Off Treaty held last month.
2. Speaking to a university audience through a multi-media teleconference just last week, on 31st May 2006, the President of India, Dr. A.P.J. Abdul Kalam, a well-known space scientist, evoked the vision of creating “wealth and prosperity in the Global Knowledge Village.” Three years earlier, addressing the ‘Space Summit’ of the Indian Science Congress he had cautioned: “we must recognise the necessity for world’s space community to avoid terrestrial geo-political conflict to be drawn into outer space, thus threatening the space assets belonging to all mankind”.
3. The importance of the peaceful applications of space technologies for all countries was strongly underlined in the Conference organized by the United Nations Institute for Disarmament Research (UNIDIR) on 30–31 March 2006 on ‘*Building the Architecture for Sustainable Space Security.*’ A representative of Indian Space Research Organization (ISRO) made a presentation at that Conference on how India has been harnessing space-based assets for its social and economic development.
4. India has placed satellites in outer space for establishing global connectivity, eradicating illiteracy, providing health security, improving navigation and meteorological services, optimising management of natural resources and the environment, and coping with natural disasters. A more recent application has been the setting up, across

India, of Village Resource Centres as a single-window delivery mechanism for a variety of space-enabled services, including tele-education, tele-medicine and interactive advisories on land and water management.

5. There has, thus, been a dramatic acceleration, in recent years, in the peaceful uses of outer space and in international cooperation for this purpose. So also has there been an increased potential, in particular for the developing countries, to leapfrog and become full participants in the technology-based global economy of the twenty-first century. India, for instance, has in the past year signed agreements with the Russian Federation and the European Union for cooperation in their GLONASS and Galileo programmes, respectively, and ISRO's *Chandrayaan* mission to moon in 2008 will carry lunar surface mapping instruments from Bulgaria, the European Space Agency and NASA. A connectivity mission between India and the countries of the African Union is also being pursued to provide both communication links and a range of space-enabled development oriented services.
6. Given our increasing efforts to use outer space for developmental purposes and the all-pervasive application of space technology for almost every aspect of modern life, my delegation would like to emphasize the importance of the security of assets based in outer space and the enormously harmful consequences of any threat to them. We, therefore, strongly support the quest to upgrade the present international legal framework for regulating space activities, set at the relative infancy of the development of space technology, and to strengthen the existing space law for the peaceful use and exploration of outer space. The placement of weapons in outer space may herald a new arms race and disrupt the peaceful uses of outer space. The respect for the safety and security of space assets and capabilities of all countries is a prerequisite for ensuring the continued flow of space-enabled services to all countries, including to developing countries. We hope that our work in the Conference will contribute to this goal.
7. Soon after the launch of the Sputnik in 1957, and notwithstanding the competition of the Cold War, the international community embraced the idea of the use of outer space exclusively for peaceful and scientific pursuits. This became the accepted global norm the

very first time the United Nations General Assembly considered the 'Questions of the Peaceful Use of Outer Space' in 1958 and encapsulated it in its resolution 1348(XIII). Conscious that space exploration had opened new possibilities for the improvement of life of humankind, it also created the Ad-hoc Committee on the Peaceful Uses of Outer Space (COPUOS) to harness outer space activities for cooperative mutual gain.

8. COPUOS has since developed five outer space-related treaties, including the Outer Space Treaty, which constitutes the cornerstone of the international legal framework for the peaceful application of outer space. Its four core principles are that the exploration and use of outer space shall be carried out 'for the benefit and interest of all countries;' that outer space will be 'the province of all mankind;' that outer space shall be 'free for exploration and use by all countries;' and that parties of the Treaty 'undertake not to place in orbit around the earth any object carrying nuclear weapons or any other weapons of mass destruction.' The Final Document of the First Special Session of the UN General Assembly devoted to Disarmament (SSOD-I) had stipulated that, in accordance with the spirit of the Outer Space Treaty, further measures should be taken and international negotiations held "in order to prevent an arms race in outer space." We look upon our current activity in the Conference as a step towards attaining that objective.
9. The issue of the prevention of an arms race in outer space has been on the agenda of this Conference since 1982 and an Ad-hoc Committee on PAROS functioned for a decade since 1985. The Committee was engaged in examining, as a first step at that stage, through substantive and general consideration, issues relevant to the prevention of an arms race in outer space. The issue remains as relevant today, if not more, as it was then.
10. India supports the establishment of an Ad-hoc Committee of the Conference to deal with the issue of PAROS as outlined in the A-5 proposal. We believe that it provides a good basis for commencing our work on PAROS, which India stands ready to join.
11. We welcome the initiative of China and that of your delegation in presenting working papers and non-papers dealing with various aspects of the issue before us. They are most useful in enabling a better understanding of the different dimensions of outer space

security. We compliment those delegations that have invited their experts to join in our deliberations. Their contribution would enrich our debate and enable us to fully appreciate the technical and legal aspects of the challenge we face today.

Mr. President,

12. My delegation's approach to a programme of work of the Conference has been consistent: any solution to end the current impasse must be responsive to the security concerns of all the constituents of the Conference. We do, therefore, very much hope that our deliberations on PAROS during this week and structured discussions on the other remaining issues on the agenda of the Conference will pave the way for reaching a consensus allowing the Conference to begin its substantive work, which is its principal vocation and *raison d'être*.

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532. Statement by Ambassador Jayant Prasad :The third Review Conference of the States Parties to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be Deemed to be Excessively Injurious or to have Indiscriminate Effects.

Geneva, November 7, 2006.

The Third Review Conference of the States Parties to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects.

Mr. President, We are most happy to join other delegations in congratulating you on your assumption of the Presidency of the 3rd CCW Review Conference. We are confident that the Conference will have a successful outcome under your leadership, of which we have had ample evidence in various disarmament forums. We would also like to felicitate other members of the Bureau on their election. India has shouldered responsibilities entrusted to it to nurture the CCW processes, including its Presidency in 2002-2003, when Protocol V on Explosive Remnants of War was negotiated and concluded, and later, the coordination of the Working Group on ERW. In this context, I am grateful to the Non-aligned Group and all the States Parties for nominating and endorsing me as chair of the Drafting Committee of this Conference.

The CCW Convention embodies the principle that the right of the parties to an armed conflict to choose the methods or means of warfare is not unlimited. It prohibits the employment, in armed conflicts, of weapons, projectiles and materials and methods of warfare of a nature that cause superfluous injury or unnecessary suffering. The Convention and its Annexed Protocols, while stipulating measures to mitigate humanitarian concerns arising from the use of specific weapons and weapon systems, also take into account their military necessity and strike a balance between the two. The Convention has evolved and demonstrated its relevance through the successive adoption of five Protocols addressing humanitarian concerns arising from the use of specific weapons and munitions. The entry into force of the amendment to Article I of the Convention has extended the scope of application of the Convention both to external and internal conflicts.

India is wholly committed to the CCW Convention and the humanitarian principles that it embodies. We have ratified all five Protocols annexed to it, as also the amendment to Article I of the Convention. We have taken the necessary steps to fully implement our obligations under Amended Protocol II. We are equally committed to taking all requisite measures to implement other protocols, including Protocol V on ERW.

Today, the CCW Convention has 100 adherents. It is of utmost importance that the States that are not party to it are encouraged to join the Convention and the Protocols annexed to it. India supports the adoption of the proposed Plan of Action to promote universality of the CCW.

Since participation by States Parties in CCW-related meetings demonstrates their commitment to the Convention, those States Parties that are unable to do so due to financial constraints should be provided requisite assistance. The Review Conference will have before it a draft decision on the establishment of sponsorship programme, which we support.

India believes that States Parties are primarily responsible for the full and effective implementation of their obligations under the Convention and the Protocols to which they are bound. We are satisfied that there have been no instances of non-compliance so far. The importance of a mechanism to ensure compliance is self-evident and we have been actively engaged in the consultations on evolving such a mechanism. In view of likely procedural and legal obstacles related to amending the Convention to do so, we support your proposal for a decision by the Conference on the future compliance mechanism. We would like to thank the successive Chairmen of meetings of States Parties, as also Ambassador Markotic of Croatia in his present capacity as a Friend of the Chair for the efforts made in this direction. We hope the Review Conference will reach consensus on the proposed draft decision. It is our understanding of paragraph 1 of Part II of the draft decision on compliance that the High Contracting Parties are required to take all appropriate steps to meet their obligations under the Convention and its Protocols, including legislative and other measures, only wherever necessary.

The entry into force of Protocol V on ERW, within a few days, will be a landmark development in fulfilling the basic objectives of the CCW Convention. India is among the 25 States that have notified the UN Secretary General of their consent to be bound by Protocol V. We look forward to the special plenary meeting to mark the occasion of its entry into force. We are happy that the Conference will issue a Declaration to mark this occasion, which emphasizes the determination of States Parties to address the

humanitarian, developmental and environmental impact of ERW and to reinforce international cooperation and assistance on the issues related to the implementation of Protocol V.

This Protocol stipulates post-conflict remedial measures, including clearance, removal or destruction of ERW. Significantly, it recognizes the right of the High Contracting Parties to seek and receive assistance and requires them to provide assistance in dealing with the problems posed by existing ERW. Article 9 of the Protocol encourages the High Contracting Parties to take generic preventive measures aimed at minimizing the occurrence of ERW, including those referred to in Part 3 of the Technical Annex. We are confident that, when fully and effectively implemented, Protocol V would go a long way towards mitigating the humanitarian concerns associated with ERW. We call upon all States that have already acceded to Protocol V to fully implement it and encourage all other States to join it.

Since the adoption of Protocol V in November 2003, the Working Group on ERW continued its work in two areas related to ERW: consideration of the implementation of existing principles of IHL and possible preventive technical measures aimed at improving the design of certain specific types of munitions, including sub-munitions, with a view to minimizing the humanitarian risks of these munitions becoming ERW.

Discussions in the Group, and the responses of States Parties to the questionnaire on the national implementation of existing IHL principles presented by a group of like-minded States, amply demonstrated that Parties to CCW take their IHL obligations seriously. We appreciate, in this regard, the analytical report of Prof. Tim McCormack, which has identified shortcomings and outlined various steps to promote further implementation of international humanitarian law in the context of explosive remnants of war. We believe States Parties will benefit from this process and will be encouraged to take further measures, as necessary, to meet their IHL obligations.

The CCW process is primarily concerned with the application of existing IHL principles for regulating the use of specific types of weapons, weapon systems and munitions in order to mitigate the humanitarian risks associated with their use. While we should continue to encourage the States Parties to fully meet their IHL obligations within the CCW framework, the proposals for elaborating and developing existing IHL principles and promoting their implementation would be best addressed through the mechanisms available under the Geneva Conventions and its Additional Protocols.

The meetings of military and technical experts on preventive technical measures have carried out useful work on establishing criteria for identifying specific munitions, including sub-munitions, which pose a greater humanitarian risk. They have also considered measures, including improvements in design, to enhance the reliability of these munitions.

They should be given further opportunity to conclude their work. Since Part 3 of the Technical Annex to Protocol V outlines generic preventive measures pertaining to entire life cycle of munitions, the mandate of the experts should remain focused on identifying preventive technical measures related to the design of munitions.

The Working Group on Mines other than Anti-Personnel Mines has made significant progress in evolving outline of a future protocol to regulate the use of MOTAPM without, however, finding common ground on the key issues of detectability and active life span. We hope States Parties will demonstrate flexibility in order to reach consensus on the remaining issues enabling us to adopt a legally binding protocol on MOTAPM that would maintain the balance between humanitarian concerns and the military utility of these weapons. Having carefully considered the three options outlined in the Coordinator's Paper, we do not consider it appropriate to allow States to adhere to only to a part of, and not all of the obligations contained in a future instrument. This may not be conducive to fully addressing the humanitarian concerns arising from the use of MOTAPM. Our preference, therefore, is for a legally binding instrument with uniformly applicable obligations.

We look forward to a comprehensive review of the scope and operation of the Convention and the Protocols annexed to it. We now have the opportunity to consider the various proposals on the table of the Conference. My delegation will adopt a constructive and flexible approach in so doing.

I would like, finally, to record our appreciation for the active participation of the International Committee of the Red Cross and non-governmental organizations within the CCW process. This has enriched our work and contributed very much to our understanding of the issues. We appreciate their most useful and constructive role and hope to see them involved with the same energy and enthusiasm in our future activities.

I thank you, Mr. President.

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533. Statement by Permanent Representative to the Conference on Disarmament Jayant Prasad at the Preparatory Committee for the Conference to Review Progress made in the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate Illicit Trade in Small Arms and Light Weapons in all its Aspects.

New York, January 11, 2006.

Mr. Chairman,

My delegation is most content to see you in the chair of the Preparatory Committee for the 2006 Conference to review progress made in the implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects. You have our fullest support in your efforts to make a success of this meeting.

Your initiative in undertaking prior consultations with Member States has helped in gaining greater clarity on the key questions that we require to address. Our deliberations, both here and at the Review Conference, should catalyze fresh thoughts on how to implement the Programme of Action more effectively. In this connection, we would like to express our appreciation for the important contribution that some organizations and institutions have made towards enhancing our understanding of the core issues before us, especially the UNDP and UNIDIR, as well as civil society organizations like the Geneva Forum, Small Arms Survey and IANSA. We have come better prepared to the review process, thanks to their efforts.

In this process, our singular focus will be to assess the progress made in the implementation of the Programme of Action. The Review Conference presents the international community with its first opportunity to strengthen it. It can do so by appraising its implementation and deriving lessons on more effective ways to address the serious challenges posed by the illicit trade in and easy availability of small arms and light weapons through practical actions and mechanisms.

The 2001 Conference was a landmark event. It succeeded in according centrality to the issue of illicit small arms and light weapons on the international security agenda. The Programme of Action, adopted unanimously, marked a significant step forward in committing States to developing and strengthening agreed norms and measures to reinforce

their efforts in addressing the proliferation of illicit trade in small arms and light weapons. It reflects the sense of a shared commitment to a clearly enunciated goal. The need now is to implement it fully in a truly collaborative framework. This in turn requires greater cooperative efforts by all stakeholders, beginning with governments, and including civil society, non-governmental organizations, voluntary agencies and regional and UN-related inter-governmental bodies. India is ready to continue its engagement in these efforts.

As we begin to prepare ourselves to assess national, regional and global implementation of the Programme of Action, it is well worth reminding ourselves of the devastating impact of the proliferation of illicit trade in small arms and light weapons. It continues to gravely endanger the security of States and communities.

Use of small arms and light weapons by non-State actors continues to threaten global peace, disrupt social harmony, destabilize political systems and hamper development. The ready availability of illicit weapons fosters organized crime, drug trafficking, and illegal exploitation of natural resources and promotes violence, insurgency, and terrorism. India believes that efforts to combat and eradicate illicit trade in small arms and light weapons will contribute to the global efforts to combat terrorism and other organized crime.

India's full and effective implementation of the Programme of Action encompasses legal and administrative mechanisms for effective control and regulation of such weapons. They cover all aspects of their lawful possession, manufacture, sale, transport, stockpile management, transfer and export and import of arms and ammunitions. India follows a strict policy regarding exports that includes the requirement for end user certificates on a government to government basis and a ban on exports to countries under UN arms embargo.

Mr. Chairman,

In sharp contrast to mainstream disarmament efforts, the international community has made welcome, even if modest progress in addressing illicit trade in small arms and light weapons. We succeeded last year in reaching consensus on an international instrument to enable States to mark all small arms and light weapons, and to identify and trace illicit ones in a timely and reliable manner. Even though our preference was for a legally binding instrument, we joined the consensus, as did all

Member States, since the instrument enjoins new commitments on States on marking and cooperating with other States in tracing. This significant achievement reflects our common commitment to achieve the objectives enshrined in the Programme of Action. What is required now is an early and full implementation of the instrument. India had the privilege of chairing the Group of Governmental Experts on small arms, which provided the foundation for subsequent negotiations.

As regards illicit brokering, the General Assembly Resolutions 59/86 and 60/81 contain the parameters of further action. The Group of Governmental Experts, mandated by the resolutions, will consider further steps to enhance international cooperation on illicit brokering, which the Secretary General has been requested to appoint no later than 2007.

The Firearms Protocol of 2001 complements the Programme of Action. Despite a slow ratification process, the Protocol entered into force in July last year. We consider this significant since the Protocol is the first global, legally-binding measure addressing international small arms supply.

Mr. Chairman,

As for sequencing of issues to be taken up at the Review Conference, this should follow the structure of the Programme of Action. The 2001 document does not preclude the consideration of a wide range of issues, including those on which convergence was not achieved at that time. Since its adoption, the international community has become even more sensitized to the threat posed by terrorism. It should now be ready to express its firm commitment to prohibiting the supply of weapons to non-State actors. We would like the Review Conference to strengthen the Programme of Action by including measures that could deny terrorists access to small arms and light weapons, such as a commitment by States that the trade in these weapons would be channeled only through government authorized agents and by bringing in greater transparency in its trade.

On the future organization of work, we require some rationalization, perhaps through greater synchronicity of reporting and the scheduling of future Biennial Meetings and Review Conferences. Together with the Netherlands and South Africa, our delegation had presented a paper on this subject at the 2nd Biennial Meeting of Member States last July. We could consider this matter in the course of the thematic debate.

By far the most important task of the Review Conference is to oversee the implementation of the Programme of Action and draw lessons from it on how to do better. This would include not only actions that Member States could take nationally but also assistance efforts that could be taken by them for other States. The Biennial Meeting of States in July 2005 had provided testimony from a number of practitioners involved in small arms-related ground-level activity. In the process, they had also outlined some of the challenges that had come their way. The Review Conference should be an occasion to see what we could do to make available assistance through bilateral, regional and international cooperation. Also, the thematic debate on various aspects of the illicit trade could be useful in better understanding their relevance to the core concerns addressed by the Programme of Action.

The small arms process and, through that, multilateral diplomacy can take justifiable credit for, first, identifying the issues, and then, embracing a realistic and achievable framework to resolve them in the form of the Programme of Action. We need to carefully nurture the collective, coherent, cooperative and committed approach that has emerged as the hallmark of the Programme of Action and the small arms process. There is considerable goodwill among UN Member States on these and the convergence amongst them, which has a humanitarian impulse, should not be wasted. Every effort should, therefore, be made to maintain our discussions on a practical and functional track so that these are not distracted by consideration of issues which are being discussed in other more appropriate forums.

We are convinced that a forward looking, flexible and converging approach will take the Programme of Action further in realizing its objective of eradicating the menace of illicit trafficking in small arms and light weapons. With that end in view, let us turn the review process into an opportunity to consolidate our achievements of the last five years and set actionable goals for the next phase of the small arms process.

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534. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Human Rights Council, at the Informal Plenary meeting of the UN General Assembly.

New York, January 24, 2006.

Mr. Chairman,

I would like to once again commend Ambassador Kumalo and you for the excellent draft before us. As requested by you, I will restrict myself solely to commenting on the text in the draft document [Rev.2 version] of 19 December 2005 that is not in bold type or within brackets.

As regards the preambular paragraphs, there are some minor changes that I would have liked to suggest. However, at this advanced stage of our consideration of this draft there is not much point in unnecessarily quibbling over words. Accordingly, my delegation would be willing to accept the preambular part as it is. After all, it is only exhortatory in nature.

Turning to Operative Para 1, our position has been that there is no need for a reference to a review of the status of the Human Rights Council by the General Assembly within five years. We would thus have certainly preferred if the second sentence of OP1 be deleted.

Nevertheless, if it is to be retained, we believe that we must be open-minded about the proposed assessment that will take place in five years. It should be carried out without pre-judging its outcome. In the circumstances, we accept that your draft, Rev.2, covers the middle ground and is thus fairly well balanced. Accordingly, we will support OP1 being retained as it is and would suggest to you not to change its text.

We have no comments to offer on Operative Paragraphs 2, 3 and 4. As regards Operative Para 5 (b), we would prefer retention of the reference to global thematic review, even though several delegations have objected to it. Nevertheless, we would not insist on our position.

As regards Operative Para 5 (e), we support the concept of universal periodic review and would like to enhance the cooperative nature of the universal periodic review mechanism. We would also support the amendment proposed by USA that such an assessment be “based on objective and reliable information”.

We would also like to join delegations like Argentina and Singapore in supporting the deletion of the last sentence of Operative Para 5 (e). It would be for the Human Rights Council to take the appropriate decisions on how to proceed after a review has been conducted. Accordingly, it is for that body to work out subsequent modalities. Let us not circumscribe the choice before the Council to the presentation of a Chairman's summary. As regards Operative Para 5 (f), we would agree with the African Group, CARRICOM and others who have sought its deletion. Our reasons are, however, somewhat different. We are of the view that Operative Para 2 covers promotion of human rights, while Operative Para 3 addresses prevention of human rights violation. Thus, the idea contained in Operative Para 5(f) is already incorporated in Operative Para 3. Moreover, the wording of Operative Para 5 (f) is unclear.

After all, why are we being asked to contribute "towards" prevention of human rights prevention, rather than to contribute "to" their prevention? Perhaps the reason is because prevention of human rights violations are a responsibility that essentially devolves on Governments and is to be carried out by them within national jurisdiction. There is little, if anything, that can be done multilaterally and thus not much merit in retaining a text that is unclear. Therefore, we would favour OP 5(f) being dropped.

Turning to the proposal by USA to include a reference in OP 5(f) relating to responding to emergencies. We have no problem with the suggestion and perhaps a separate sub paragraph might address it, if there is a majority view in its favour.

As regards Operative Para 5 (k), the term "United Nations system" at its end is rather ambiguous. Operative Para 1 makes it clear that the Human Rights Council will be a subsidiary organ of the UNGA. Therefore, the link between the Human Rights Council and the UNGA has to be umbilical, like between a mother and her child. All other linkages, including with the UN Security Council, should not follow an automatic route, but be via the UNGA. Accordingly, we would like to propose that the words "to the UNGA, and through the UNGA to the rest of" be inserted before the words "the United Nations system" at the end of OP5(k). Mr. Chairman, the electoral system of the new Human Rights Council must better ensure that states that are elected to it are there to protect and promote human rights, rather than be there in order to shield themselves from criticism or scrutiny. Therefore, we accept that the text we are drafting should somehow take into account the human rights record of states while electing them. But this

should not be done via incorporating wording as contained in Operative Para 8 and Operative Para 9. After all, as regards OP 8, being guided by the highest standards of human rights is something that should be relevant for all UNGA members, rather than merely being restricted to members that are being elected to the Human Rights Council.

As regards Operative Para 9, if Human Rights Council membership will be for three years, as is presently envisaged in OP 10, then during the three year term every country would presumably be looked at through the prism of the universal periodic review mechanism. If so, it would be irrelevant whether a country is a member or is not a member of the Human Rights Council. If a country's turn for periodic review comes after three years, then we need to revisit the entire proposal as we will be looking at violations in a somewhat historical context rather than a contemporary one. For these reasons, we believe that both OP 8 and OP 9 are not necessary. Nevertheless, we can live with both of them if it helps us reach a consensus or makes the entire text more palatable for some delegation or delegations.

Turning to Operative Para 11, I would like to raise a point not made by any other delegation, but which I believe is of relevance. This pertains to the phrases "not fewer" and "no less than" contained in the second and third lines of OP 11. It would be useful to have some degree of certainty about the duration and timings of meetings of the proposed Council. This would be best achieved by a cap on the maximum number of meetings and their duration. Doing so would provide clarity and certainty, including from the budgetary angle. We have no problem as regards the meeting lasting for six weeks, eight weeks or ten weeks.

However, we would certainly like to know in advance precisely how long each session will last and how many times we will meet annually, rather than stating that we would meet not fewer than four times per year. This would also help us know how many times delegates from our capitals would have to visit Geneva and would allow us to plan travel and make appropriate budgetary allocations. We would suggest for your consideration that the phrases "not fewer" and "no less than" contained in OP 11 be deleted.

As regards the convening of special meetings of the Human Rights Council, our preference is that these takes place at the request of a member of the Council with the support of half its membership. Nevertheless, we are willing to accept that it take place with the support of one third of the Council membership.

However, we would prefer that the words “or its Chair with the agreement of the Bureau, or the Secretary-General” at the end of Operative Para 11 be dropped. The Human Rights Council is intended to be an inter-governmental body and decisions to convene it in a special session should correctly be taken by and amongst Governments that are its members.

As regards Operative Para 12, we would tend to agree with Norway that till such time as the Human Rights Council agrees on new procedures, the present procedures should apply and be carried forward. This pertains to participation in the Council by Non-Governmental Organisations and others.

Thank you Mr. Chairman.

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535. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Review of Mandates at the Informal Plenary Meeting on Secretariat and Management Reform.

New York, January 25, 2006.

We thank the Co-Chairs for organizing these informal consultations. This gives us a timely opportunity to convey our views and to address some concerns regarding the listing of mandates that the SG is presently preparing. The template of the document that will be submitted to the General Assembly and which was circulated by you also provides a useful point of reference to focus our discussion.

We strongly support the statement made by South Africa which forcefully and with clarity summarizes the position.

We are encouraged by the guiding principal, particularly relevant for the mandate review, which the Co-Chairs laid down at the first informal plenary meeting on Secretariat and Management Reform on December 6, 2005.

The Co-Chairs had then stated that this is not a cost-cutting exercise, but rather a review that takes into account the political and intergovernmental nature of the United Nations, its purpose and proceedings and that above all, the United Nations is not a commercial operation.

One delegation has stated that the UN has to compete with other bodies in carrying out its work. The United Nations as the only universal inter-governmental body has a unique legitimacy that has been proven time and time again.

Therefore, we do not believe that the UN has to compete with any other body. Rather, all other international bodies and organizations have to work in cooperation with the UN and under its leadership. This matter is also operationally important. For instance, the Bretton Woods Institutions have strayed far from their original mandate (when they were set up) to encourage Keynesian demand management policies to promote full employment. This is still the Charter mandate of ECOSOC. Moreover, globalization and liberalization have frequently, in some developing countries (notably in sub-Saharan Africa) increased unemployment and income disparities. It is therefore extremely important for UN to set the international agenda and provide leadership. Hence we cannot accept the argument that the UN should leave such matters to other organizations that allegedly can do better.

In accordance with the World Summit Outcome embodied in Resolution 60/1, the timeline that has been set by the collective membership is that the GA and the other organs should complete and take the necessary decisions arising from the mandate review during 2006. This is a complex exercise involving all the principal organs of the UN and extending to every area of its work. It would require detailed consideration and discussion among Member States if it is to really achieve its stated objective, which is to “to strengthen and update the programme of work of the United Nations so that it responds to the contemporary requirements of Member States”.

We welcome the fact that the Secretariat has proceeded with a sense of urgency in this complex task. However, a mere listing of mandates is not enough. The information has to be presented in a form that the membership is able to analyze and absorb. The Secretariat had stated at our meeting on December 14 last year that the information would be organized in such a way as to facilitate the review of mandates by Member States. In our view, it is essential that the information and observations of the Secretary General be presented in a manner that makes it possible to sort the information in terms of the following criteria:

- i The organ that is to undertake the review of each mandate.
- i Categorization in terms of the broad purposes of the Organisation.

Rather than in terms of thematic clusters as has been suggested by the Secretariat, this could be in terms of the agreed priorities of the Organisation such as development, human rights, peace and security etc.

- | Whether it is a general mandate or relates to a region or a particular Member State or States.
- | Whether it is older than five years and reaffirmed subsequently, or it has not been reaffirmed or if it is a new mandate.

In order to be usable, such a presentation has to also be made available in an electronic format that permits sorting on the basis of each of the above criteria to facilitate analysis and informed consideration. This would be especially useful for smaller delegations. An illustration of this would be that if the General Assembly wishes to review the number of reports it is requesting from the Secretariat on the issue of social development, it should be possible, by searching electronically, to extract the number of reports on social development that have been requested by the GA, ECOSOC and ECOSOC's subsidiary machinery.

In addition to the information corresponding to each mandate that has been indicated in the template that the Co-Chairs have kindly circulated, the template should also include information on:

- | The intergovernmental body that originated the mandate (it could be a principal organ or a subsidiary body, since many mandates owe their origin to subsidiary bodies)
- | The intergovernmental body that is responsible for overseeing the mandate
- | Whether the mandate is currently being implemented and if not the reasons for non-implementation.
- | Linkage to other mandates, if applicable.

The Secretariat should bring out clearly in explanatory notes to each mandate exactly what each mandate seeks to accomplish and how it is being implemented. If there has been any shortfall in implementation, the reasons for such shortfall whether they be lack of adequate resources for implementation, whether a mandate has been overtaken by a subsequent mandate, or any other reason should be clearly indicated.

We do not see the logic of the argument that there are only five weeks till the deadline and hence the information to be provided may not be comprehensive or detailed as possible. This is a deadline that seems to have been set by the Secretariat. The General Assembly has never called for any such deadline. As stated earlier, the Outcome Document states that this review be conducted in 2006. We were looking forward to the report in end-February. However, if the report is to be incomplete or inaccurate as a consequence of the rush to complete the job, we would rather wait until the Secretariat can assure us of a good report.

Here, I would like to make a brief comment on how the rush to complete against a deadline creates problems as seen in the case of the Peace Building Commission. We will be condemned to repeat history if we do not learn lessons from that. In the discussions on the Organizational Committee of the Peace Building Commission, we have seen the problems created by the Resolutions. In Hegel's phrase, in the case of the Peace Building Commission it was a tragedy, in the case of the mandate review it may be a farce: we should avoid such an outcome.

On programmatic shifts, such an exercise would only be possible after Member States have determined which mandates can be discontinued and hence what resources can be released. This is a subsequent process which will follow this exercise. In any case, that is for Member States to determine and not for the Secretariat to undertake. In both conceptual and practical terms, we cannot put the cart before the horse.

Administrative mandates should not be subject to this exercise as that would complicate the process relating to the review of policies, rules and regulations that is the subject of another report which will be considered by the ACABQ and the Fifth Committee.

On the issue of indicating in the template the budgetary implications of each mandate, this is neither practicable nor desirable. It is not practicable for the reason that the budget of the United Nations is allocated among programmes and sub-programmes, each of which are tasked with implementing dozens or even scores of mandates. There is no way of disaggregating resources allocated to a sub-programme among the many mandates that it seeks to implement. The Secretariat cannot be expected to indulge in such a fruitless exercise.

Nor is this exercise desirable. Mandates have to be considered on their intrinsic merit and based on the value that Member States attach to

their continuance, not on the basis of costs associated with them. It is only once the review has been undertaken that the Secretariat can be tasked with identifying the resources that could be freed from the discontinuance of identified mandates.

One delegation has stated that if the budgetary implications of each mandate cannot be indicated, the number of work days involved could be used. It may be satisfactory but is certainly ironic that we are shifting from the monetary to the Marxist concept of labour time.

However, from a practical point of view, we do not see how this would be feasible.

Some have advocated that by indicating resource allocations against each mandate, Member States would be able to determine whether they receive value for money. The question is of course, value for whom. We should not lose sight of the fact that the Organisation exists for the good of its collective membership. It goes without saying that the Organisation's programme of work has to be based on what the vast majority of its membership considers to be of value.

This brings me to my final point which is that above all, the process of mandate review has to be a democratic one whereby the continuation or otherwise of mandates is determined by the majority of the membership of the Organisation. This would ensure that such a review is based on the value that the larger membership of this Organisation attaches to its work rather than on any monetary cost that some Member States may like to weigh. Since a few cannot determine what is of value to the many, consequently the results of the review have to be determined through the normal democratic process where every Member State has an equal say.

I thank you, Mr. Co-Chair.

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536. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Human Rights Council, at the Informal Plenary meeting of the UN General Assembly.

New York, February 2, 2006.

Mr. Chairman, like other delegations, we look forward to the informal consultations of the UNGA plenary to be held on February 6, when more detailed comments would be offered. Nevertheless, like others, let me also make some preliminary comments on the revised text that you have just given us.

First of all, I would like to thank you for following an open, inclusive and transparent process involving everyone. I would also like to compliment you on the balanced, fair and reasonable proposal that you have placed before us. We may all be wedded to our positions, but a time comes to move ahead. I think that time for negotiations and give and take is upon us now.

Mr. Chairman, we have noted how you have introduced in the preambular portion the principle of equal rights and self-determination of peoples, which was referred to by many delegations during our last meeting. It has been done by placing in Preambular Paragraph 1 wording relating to “respect for principle of equal rights and self-determination of peoples” that has been taken from Article 1 paragraph 2 of the UN Charter. It is the most non-controversial wording that could be found on the subject and we can certainly accept it and would like to encourage others to do the same.

There had been concern voiced earlier over language that appeared to by-pass national governments by providing benefits of international cooperation directly to rights holders. This has now been taken into account in Preambular Paragraph 9, which has been modified to indicate that the promotion and protection of human rights should be ‘... aimed at strengthening the capacity of Member States to comply with their human rights obligations’ for the benefit of rights holders.

Mr. Chairman, as regards OP 5(e) about undertaking a universal periodic review, every delegation that spoke on the previous occasion had supported the inclusion of “based on objective and reliable information” in line 1. We are grateful to you for now reflecting those words in our text. The sentence at the end, stating that ‘Conclusions of the review shall be

presented in a Chair's summary', has also been dropped as several delegations, including mine, had felt that we should not circumscribe the manner in which we could present any conclusions that may be reached. Thank you for dropping it too.

In OP 5(f), the language on the new Human Rights Council "contributing towards the prevention of human rights violations" has been re-shaped by including the words 'through dialogue and cooperation' in the first line. While it would have been preferable that the sub-para be deleted entirely, this modification at least partly meets a concern voiced by many delegations. It is also noted that new language has also been proposed at the end of the sub-para, namely, that the Human Rights Council 'respond promptly to deteriorating human rights situations'. In that phrase the usage of the term "deteriorating" is unclear and you may like to consider modifying it suitably, by circumscribing it somewhat.

As regards the text of OP 5(i), it has been shortened by deleting '... to Member States and the United Nations system' towards its end. We welcome this, but would have also liked there to be an explicit reference to recommendations being made to the UNGA and only through it to others. That would have been appropriate and is an amendment that we had formally supported. However, if overall agreement demands that we not insist on our position, then we will not do so. After all, we have all accepted in OP1 that the Human Rights Council will be a subsidiary organ of the UN General Assembly, so who else would it report to if not to its superior body, the UNGA?

In OP 6, it has now been proposed that the HRC undertake a complete review of all mandates, mechanisms, functions and responsibilities of the CHR within one year after holding its first meeting. This is an unexceptionable and reasonable proposal.

The size of the proposed HRC has been proposed at 45 members. This falls exactly between the two earlier options of 38 or 53 members. While we would have certainly preferred an HRC with 53 members, we can live with your variant too. What could be fairer than proposing the middle road if a choice had to be made?

As regards electing new members, sensibly, both options have been retained, that is, by simple-majority or two-thirds of members present and voting. Again, what could be more fair-minded on the part of the Co-Chairs, than not to take sides? Our preference in this case has all along been for

a simple majority, but we would be willing to go with two-thirds if that helps build consensus. In any case leaving both options in brackets appears to be the most reasonable way of presenting the choices before us at this stage.

We commend you for incorporating in Operative Paragraph 7 wording that provides that the composition of the HRC be based on equitable geographical distribution. That is how it should be. It represents the only fair way to proceed. We agree that States should somehow take into account the human rights record of other States while electing them to the new body. In Operative Paragraph 8, a few indicative parameters have been suggested for consideration by Member States when electing HRC members. This too constitutes wording that is a vast improvement on the unacceptable choices that we had earlier. While we may have some minor modifications to suggest, we can also live with OP8 it as presently worded if there is no other choice.

We would still like to see greater certainty in the text of OP 10. As we had suggested earlier, it would be nice to know exactly how many normal meetings of the HRC we are talking about. Accordingly, we would have preferred to cap the number of normal meetings and their total duration by deleting the words “no fewer than” and “no less than” in the text. It would be difficult to explain to our budgetary authorities why we allowed such a lack of clarity to remain or how come others were satisfied with it. We would request you to revisit this issue once more. But if that is not possible, we would live with it, reluctantly. As regards OP 10, we would have also far preferred that special sessions be convened only at the request of a Member supported by half of the HRC members. The present wording sets the bar lower and requires the support of only 1/3rd of the membership. In our view, this is not the better or preferred option. After all, much time and money would be unnecessarily wasted if 1/3rd of the members convened a meeting only to find that half the members did not approve of the idea behind it! Nevertheless, if it is the position of the majority to go with 1/3rds, and not merely that of one-third of us, we would go along with it.

We are satisfied that the provision in OP 10, enabling convening of special sessions by the “Chair with the agreement of the Bureau or the Secretary-General”, has been dropped. We welcome this as it reflects the reality that the HRC is an inter-governmental body and only its members should be able to convene its special sessions.

In conclusion, I would like to again congratulate you, Mr. Chairman, for a fair-minded and serious effort to progress our work.

Thank you, Mr. Chairman.

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537. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Human Rights Council, at the Informal Plenary meeting of the UN General Assembly.

New York, February 7, 2006.

Mr. Chairman,

I did not initially plan to take the floor as I had already shared, last Friday, my preliminary comments on the draft text that you had circulated to us. Having revisited the text over the last few days, I am happy to confirm once again that my delegation finds it to be a balanced, fair-minded and reasonable proposal, for which I would once again like to commend the Co-Chairs.

I am intervening, Mr. Chairman, because a point raised by a couple of delegations during the discussions yesterday needs a response. This relates to the proposal in Operative

Paragraph 7 as regards how the membership of the new Human Rights Council, based on equitable geographic distribution, would actually be distributed.

Mr. Chairman, I would like to emphasise that what the Asian Group is asking for, unanimously, is equitable geographic distribution. We are certainly not seeking favourable or preferential treatment. All we are requesting is that, at least henceforth, the new Human Rights Council not be biased against our group in its composition.

Mr. Chairman, Asia is currently denied an equitable presence on the Human Rights Commission. For decades others have benefited from what has been a clearly unfair, unjust and discriminatory situation. However, if we had wanted a "fair" distribution, we would have reminded everyone that nearly 60-65% of the world's population comes from our region. Accordingly, whether we look at human rights as an individual right or a

collective right, or both, we would have no choice but to ask for at least 27 seats on the 45 seat HRC that you have proposed. If we had wanted a “just” distribution of seats we would have had to, in addition, build in a further corrective for the unjust way in which we have been treated for over five and a half decades, and ask for even more than 27 seats. However, all we are asking for, Mr. Chairman, is to be treated “equitably”. I am highlighting this, Mr. Chairman, because in our discussions yesterday you had noted that the European Union wanted to change the proposed distribution of seats, pointed out that a Latin American country too had changes to suggest on the lines of the PBC, and had even ventured that perhaps the African Group may also have a problem with your proposed distribution of seats.

Mr. Chairman, we are already having enough problems with the PBC allocation, so the less said about the PBC pattern idea, the better. Furthermore, turning to the European Union, the EU statement of February 6 mentions, and I quote, “On the question of size and distribution of seats in OP 7, the proposed package is not acceptable and must be discussed further”. However, I suspect, Mr. Chairman, that what is not acceptable to the EU is only the proposed size of the HRC and that as regards its distribution they actually have no real problem. I listened carefully to statements made yesterday by individual EU member countries, such as France, Sweden and others. None of them referred to distribution of seats as an issue, even in passing. I think we need to delve deeper into the mysterious EU position. If we do so we may find that the proposed distribution is actually not a matter of serious concern to them.

Mr. Chairman, we are not asking for any favours. All we are asking for is that each and every electoral group be treated equitably. Some here may be wondering as to what magic the Asian Group has used to suddenly be in a position to ask for so many seats. So, I think it may be useful to share how the Asian Group has grown in recent years. Thus, in 1991 we were happy to welcome Republic of Korea, Democratic People’s Republic of Korea, Federated States of Micronesia and Marshall Islands, to the Asian Group. In 1992, we welcomed Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. In 1994, Palau. In 1999, Kiribati, Nauru, and Tonga. In 2000, Tuvalu. In 2002, we welcomed our most recent member, Timor Leste. In fact, Mr. Chairman, six of the seven new UN members in the last decade have joined the Asian Group. The only one that got away was Switzerland and given the close cooperation between us and the Ambassador of Switzerland on human rights issues here, perhaps it too could have been welcomed into our group!

Mr. Chairman, the Ambassador of Singapore has very helpfully worked out and provided us with a sliding scale of how seats are to be assigned between the various regional groups, depending upon the size of the Human Rights Council that we finally agree upon. On looking at it my only suggestion, if you agree to make a change Mr. Chairman, is to increase the size of the proposed new Human Rights Council from 45 to 46, assigning the additional seat to the African Group. That would also ensure that your proposal would have, at the very minimum, the support of well over half the UNGA membership.

Mr. Chairman, the task before us is to see that the new Human Rights Council does not start off on an inequitable and discriminatory footing insofar as assignment of seats to any group is concerned. So, Mr. Chairman, if there is any other proposal that is brought before you pretending to reflect an equitable geographic distribution, and I have not heard of any, I would offer only a single point for your consideration. I would request you to test and judge such a proposal against but one template. Ask, Mr. Chairman, what is its basis? What principle does it operate on? If it is based on horse-trading, or is otherwise inherently discriminatory, my request to you, Mr. Chairman, is to politely but firmly reject it.

Thank you, Mr. Chairman.

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538. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Management and Secretariat Reforms at the Informal Consultations of the Plenary.

New York, February 7, 2006.

Mr. Co-Chair,

We appreciate this opportunity to exchange views on the subject of management reform. We would like to thank the Deputy Secretary General for her elaboration of the outline paper on management reform that she presented on 30th January. South Africa, on behalf of the G-77 has made comprehensive statements on process and substance, both today and at our last meeting which we support in their entirety.

Mr. Co-Chair,

We have carefully examined the outline paper and the Deputy Secretary-General's presentation at our last meeting and would like to comment on them by grouping the issues into the following four categories. In the first category of issues are those that are already under consideration in the General Assembly, through its Fifth Committee and detailed proposals are awaited from the Secretariat. These are, in any case, to be presented for consideration and decision during 2006, in accordance with the respective General Assembly resolutions. Such questions include mobility of staff, simplification of contractual arrangements, harmonization of rules and benefits for staff across the UN family, and consolidation of peacekeeping accounts. Clearly, the Secretariat cannot now present summary proposals for what has been termed as 'strategic' decisions without presenting the detailed proposals that the General Assembly has already requested.

The second category of issues are those that are being put forward as new Secretariat proposals for management reform which should actually have been implemented by now. Take the case of the adoption of International Public Sector Accounting Standards. The Board of Auditors had called for their adoption five years ago and the Secretariat has been examining their possible adoption since then.

Another case in point is that of strengthening the evaluation function. The General Assembly, in its Resolution 58/269 of 23rd December, 2003, recognizing the importance of this function, had called for programme managers to indicate resource requirements for evaluation and self-evaluation in the budget. We wonder why this was not done in the 2006-7 budget that we just approved and instead it is now being presented as a new management reform proposal from the Secretariat.

The third category of issues are those that had been put forward by some delegations either in the initial stage of discussions of the draft Outcome Document or in the Fifth Committee's consideration of the proposed programme budget for 2006-7. Those proposals are now being resurrected and presented as new proposals of the Secretariat. The Secretariat is of-course well aware that those proposals did not find place either in the Outcome Document or in the 2006-7 Budget Resolution because they were not acceptable to the General Assembly. When repackaging and resubmitting proposals that were introduced by some Member States, the Secretariat would do well to note that the word 'flexibility'

does not appear either in the Outcome Document on management reform or in the budget resolution – and not without reason. Here, I would like to reinforce the point made by the Permanent Representative of Jamaica. The Budget Resolution calls for “limited discretion....in budgetary implementation within defined parameters to be agreed by the General Assembly along with clear accountability mechanisms to the Assembly for its use”. The Secretariat proposals should be formulated bearing this in mind.

In the fourth category are proposals that seek to arrogate to the Secretariat that which is the prerogative of Member States in the General Assembly. One example is what the outline of the reform report refers to as “measures to improve the budget adoption process’. The Budget adoption process is a function of Member States who have not given the Secretariat any mandate to undertake an assessment of that process. We hope that the Secretariat will keep this in mind. Another example is the discretion to be sought for transfer of resources from one program to another that the Deputy Secretary General spoke about. Presently, the Secretariat already has the discretion to do so among sub-programs. However, transfer of resources between programs directly affects the relative priorities of the Organisation. Priority-setting is a Member State function.

The Secretariat should not seek to encroach on the prerogatives of Member States who should continue to allocate and re-allocate resources among the various programs in accordance with the relative priority that they attach to each program.

It is worthwhile dwelling a little on the issue of ‘flexibility’. The DSG stated that presently the SG has very little flexibility – limited to the deployment of only 50 posts.

The question that needs to be asked is what the Secretariat did with this flexibility that was granted by the General Assembly as far back as 2003. It was only when this provision was coming up for review by the GA that some departments, and especially the regional commissions were asked to surrender posts towards the end of 2005. In most if not all cases, such posts were unfortunately taken from offices and departments dealing with development.

Coincidentally or not, five of the biggest departments and offices which are headed by nationals from the five permanent members of the Security Council did not surrender a single post in the one and a half years

of the operation of this flexibility. Creation of the post of Chief Operating Officer or redefining the role of the Deputy-Secretary-General would not change this situation at all.

Authority must flow directly from the Secretary-General. In short, we have to recognize the problem before we find a solution. And the solution is that Member States should refrain from undercutting the authority of the Secretary-General in defence of their nationals who are heads of departments and offices in the UN; greater oversight by the GA; and more importantly, the primacy of the General Assembly in the selection process of the Secretary-General is critical and would greatly help.

Article 97 of the Charter states unambiguously that the Secretary-General "shall be the chief administrative officer of the Organisation". Any implicit change of that status, or the formal creation of a Chief Operating Officer post or function to carry out that role, if warranted, should require an amendment of the Charter and hence will have to be carefully examined. The post of Deputy Secretary-General was created as part of the reforms proposed by the new SG in 1997 to assist him in carrying out his responsibilities. We can therefore not rush to any decision on this issue without very careful consideration of the much larger issues involved. In short, the solution should address the problem and not bypass it.

Let us take another example of the type of discretion that is being sought. The DSG has stated that reclassification of posts should not require permission of Member States. In our view posts need to be reclassified both upward and downward based strictly on requirements for the level of that post. Unfortunately, the only reclassification that the Secretariat consistently seeks is upward reclassification leading to grade creep. A post is upgraded over time for the purpose of promoting the incumbent but is not reclassified downward when the individual leaves that post. The General Assembly has, over the years been calling for identification of posts for downward reclassification without success. Surely, the General Assembly cannot now grant unfettered discretion only to permit continued upward reclassification of posts.

What the Secretariat should embark on is better career planning and development of promotion policies which are essential elements of any human resources management system.

Incidentally, it is a peculiar coincidence that the attempted arrogation of the functions of the General Assembly by the Secretariat comes at a

time when we are witnessing a similar arrogation by the Security Council. Later this month, the Security Council will hold a meeting on the management of the Department of Peacekeeping Operations specifically related to procurement. Presumably, this is with regard to the OIOS audit that was undertaken recently.

Procurement and audit, as with other aspects of management, is the prerogative of the General Assembly. As we are all aware, the audit in question is one that was mandated by the General Assembly in Resolution 59/296. In point of fact, the proposal for such a comprehensive management audit of DPKO was introduced jointly by a few developing country delegations including my own and was subsequently adopted by the General Assembly. Rather than briefing Member States in the General Assembly on the outcome of this audit, we have on the one hand the Under Secretary-General for Management briefing the Press and on the other, we have the Security Council organizing a meeting on the subject. We are all of-course, well aware of the consequences of the Security Council involving itself in management – the Volcker Committee report and its searing criticism of the role played by the Security Council are all too fresh. The General Assembly will have to address this assault on its functions and prerogatives or else give up discussing its revitalization.

On audits and investigations mandated by the General Assembly as also of selectivity in matters of accountability and disciplinary action, some delegations had spoken on the previous occasion. Permit me a couple of sentences on this subject. We all know that an audit report has to be followed up with investigations in order to determine culpability for any wrong-doing and this must surely be pursued vigorously and concluded expeditiously. But what is distressing is to see that in the rush to the press, even the basic principles of natural justice are denied to those accused and they are tried and convicted through the press without being given even an opportunity to see the charges against them let alone being given an opportunity to defend themselves. The Chair of the G-77 has written to the Secretary-General on this issue and we hope that appropriate action will be taken.

Lewis Carroll had summarized the problem long ago: "I'm judge and I'm jury/Said cunning old Fury/I'll try the whole case and condemn you to death." It is about time we changed this.

The issue of equitable geographical representation is understandably a concern for developing countries that have a marginal presence in the

Secretariat. While we await what has been termed as the 'proactive' approach to recruitment, any new system that compromises on transparency and which does not address the need to ensure a representative composition of the Secretariat will have no possibility of gaining acceptance. Another principle that the General Assembly has laid down, which is that no Member State shall have a monopoly of any post in the Secretariat also has to be scrupulously followed. Since we are discussing the urgent need for management reform, a case in point is that of the post of Under Secretary-General for the Department of Management - a post which has for years been occupied by incumbents from a single Member State. The General Assembly has to ensure that its resolution 46/232 whereby it decided, that as a general rule no national of a Member State should succeed a national of that State in that post and that there should be no monopoly on senior posts by nationals of any State or group of States, is scrupulously followed.

Mr. Co-Chair,

Some delegations have stated that the review of rules and regulations should be conducted at the political level. The DSG also stated that the proposals would be presented for "strategic" decisions, whatever that means, and the detailed technical decisions could be taken subsequently.

Flowing from this is the implication that decisions will be taken in this informal working group based on summary proposals and only the details would be left to the ACABQ and the Fifth Committee to work out subsequently. The Chair of the G-77 has already made it clear that the Secretariat will have to provide detailed, specific and well-thought-out proposals with technically sound arguments and not mere broad and "strategic" expressions of intent on all matters related to this review. It is only through the detailed technical evaluation of the proposals by the ACABQ and the Fifth Committee that the GA can reach any decision on the merits of the proposals that will be presented. We hope that the Secretariat will keep this in mind and present their report accordingly.

I thank you.

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539. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on the First United Nations Decade for the Eradication of Poverty [1997 – 2006] {Agenda Item 3(A)} in the 44th session of Commission for Social Development.

New York, February 9, 2006.

Mr. Chairman,

On behalf of the delegation of India, I wish to convey to you our warmest felicitations on your election. I would like to assure you of my delegation's full cooperation in the deliberations and the work of this Commission. Our congratulations also go to other members of the Bureau.

We thank the Secretary-General for his comprehensive report and the Under-Secretary-General for his statement to the Commission.

We associate ourselves with the statement made by the distinguished Permanent Representative of South Africa in his capacity as Chairman of the Group of 77.

Mr. Chairman,

Ten years after the launch of the United Nations Decade for Eradication of Poverty, the international community is still devising effective mechanisms to eradicate poverty. The progress on meeting the Millennium Development Goal (MDG) target of halving extreme poverty and hunger by 2015, as brought out in the Report of the Secretary-General, presents a stark and grim reminder that so much still remains to be done. Sub-Saharan Africa has suffered a setback since the 1990s and needs our cooperation and support in meeting the MDG goals. The only silver lining is that East Asia and the Pacific and South Asia are on track to achieve the target of halving extreme poverty at the national level by 2015. This is the basis for South-South Cooperation; also goals cannot be achieved in reasonable time without the application of science and technology and significant flow of resources. India's 500 million dollars highly concessional credit lines to West Africa; more than 200 million dollars to NEPAD; grants of essential medicines; debt cancellation for the HIPC countries; scheme for duty free access to our market for LDC exports; substantial programmes of technical cooperation and capacity building; and the dedicated satellite and fibre optic connectivity mission for Africa are some of the ways in which we seek to assist.

The keynote speaker, my good friend the Hon'ble Ms Clare Short, has, with eloquence, succinctly summed up all the important moments in the great international enterprise of eradicating world poverty. Therefore, we shall confine ourselves to three issues: the factors (mainly economic) that seem responsible for continued poverty; an attempted answer to a famous question asked in the first decade of the last century, "What is to be done?" specially by the United Nations; and the lessons of the Indian experience and whether it is replicable.

Poverty and internal conflicts are often not simply the legacy of the colonial past or the result of current poor governance but are epiphenomena of liberalisation and the policies of international economic institutions. The imperative of liberalisation and attracting foreign capital is inevitably accompanied by risks; low tax-GDP ratios reinforced by IMF style structural adjustment reduces investment in the social infrastructure (especially health and education). Such policies in some regions have additionally had a negative impact on rural infrastructure and food security. The problems of sub-Saharan Africa amply demonstrate the systemic impact of such policies. The IMF and the World Bank have strayed from one of their original purposes – Keynesian demand management to maintain high levels of employment. The Bretton Woods institutions have the power but no longer have the mandate. ECOSOC has the mandate but not the power. There thus exists a justifiable role for the United Nations to provide direction in the reform of international financial and trade systems to enable them to constructively and effectively support national efforts in eradication of poverty. The report of the World Commission on the Social Dimension of Globalisation called "A Fair Globalization" clearly concluded that "Developing countries should have increased representation in the decision making bodies of the Bretton Woods Institutions while the working methods in the World Trade Organisation should provide for their full and effective participation in its negotiations" and, above all, that "the UN multilateral system constitutes the core of global governance and is uniquely equipped to spearhead the process of reform." It is no accident that the Outcome Document of the World Summit of September 2005 emphasised increasing the "voice and participation" of developing countries in Bretton Woods Institutions. The World Bank has itself recognized that poverty is not just a question of income but also of insecurity and voicelessness. Fourteen out of the eighteen countries where poverty has increased in the last decade are in Africa, mainly sub-Saharan Africa.

While private sector investment is important, in this region the physical and social infrastructure is sometimes too weak to attract any. Therefore, sequencing is important and a commitment to 0.7% target for ODA by developed countries as also innovative sources of financing are crucial. So also in the case of debt cancellation by the developed world conditionalities on encouraging privatization would only recreate the conditions that led to debt in the first place. In the post-Hong Kong negotiations in WTO, it would be important for developing countries (and we hope that the G-10 would remain active – Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela) to maintain flexibilities and policy space particularly when negotiating on NAMA tariffs, in order to avoid the danger of deindustrialization for some developing countries. As India's Commerce Minister said, "It is no use having zero duty levels on aeroplanes while maintaining a 30% duty on leather handbags"; he pointed out that our farmers "can deal with trade flows but not with the avalanche of subsidy flows from the developed countries."

The United Nations played a creative and a critical leadership role in shaping the international economic agenda in the 1970s. It has to do so again. It has shown the way in the Resolution on Trade which was adopted by an overwhelming majority and clearly brought out the relationship between TRIPS and the Convention on Biodiversity and also called for duty free and quota free access for exports of LDCs. This could not be fully achieved at Hong Kong and the struggle has to go on. Many of the concerns that we have outlined above need to be taken into account in our continuing deliberations on the strengthening of ECOSOC and on Development, specially leadership on systemic issues. Equally, there are implications for Human Rights and the forthcoming discussions on mandates. The Right to Development becomes the key for developing countries' citizens to enjoy other rights: to be shut out from the Pasture is also to be shut out from the Presence (to use the Biblical metaphor). Similarly, simply because the agenda item is more than five years old one cannot get rid of it: the agenda item can be transcended only when poverty is transcended.

In India, the poverty ratio has declined from 45% in 1983 to 26% in 2000. Time would not permit me to describe all the major anti poverty programmes but I may mention the "Sarva Shiksha Abhiyan" (Universal Education), the Public Distribution System which makes food available to every household at an affordable price; the Integrated Child Development Scheme; the Mid-day Meal Scheme for school children; the various Food

for Works programmes; the Swarnajayanti Gram Swarozgar Yojana for self employment of the rural poor; the Indira Awaas Yojana for the construction of houses for the poor, free of cost; the Prime Minister's Urban Poverty Eradication Programme for employment generation, shelter upgradation, social development and community empowerment. The National Rural Employment Guarantee programme, as envisaged in the Common Minimum Programme, launched in 2006 makes the right to work a fundamental right. It provides 100 days assured employment annually to every rural household.

Such rural regeneration measures coupled with innovative rural health missions and expansion of the Universal Elementary Education Scheme would help address poverty in a holistic manner. As part of our social integration policies, the "Right to Information Act" passed by the Indian Parliament would lend voice to the citizens for accessing Government policies. New programmes to eradicate poverty and for income generation launched in India in recent years are expected to assist India in meeting its commitment to reduce the poverty level by a further 5 percentage points by 2007 and by an additional 15 percentage points by 2012.

Liberalisation and de-bureaucratisation of the economy has also been accompanied by State led efforts to rapidly upgrade the physical infrastructure through investments of the order of more than dollars forty billion on roads; dollars 15 billion on ports and dollars 10 billion on airports. India has been fortunate. As the Prime Minister said recently,

Indian enterprise has "emerged successfully from a battle between unequals. The secret of enterprise and creativity lies in being able to score on uneven playing fields".

The lessons of the Indian experience are in general replicable though sequencing is necessary. Liberalization of the economy has to follow a certain level of development of economic and scientific capacity. The Kuznets Curve is a myth: inequality and high growth do not automatically eventually lead to greater equality and social justice; therefore direct anti poverty programmes are necessary.

Adam Smith's invisible hand is totally invisible because it does not exist: the State's role is as important as the market's. Nevertheless, unleashing entrepreneurial energies is crucial. Education is an absolute must and, on this basis, a strong incentive for the rapid development of science and, technology and its application to most socio-economic areas.

Finally, it is important to keep government on track through continuous popular pressure and diverse popular movements. This point was made long ago by the Nigerian novelist Chinua Achebe: "Our rulers" must "reestablish vital inner links with the poor and dispossessed of this country, with the bruised heart that throbs painfully at the core of the nation's being". One of the most unfortunate results of globalization is the kinship of developing countries' elites with those in developed countries rather than with the poor of their own countries; absolutely reversing this is critical: hence the importance of democratic governance.

Mr. Chairman,

We welcome the suggestions of the UN Secretary-General that the Commission on Social Development, and through it the ECOSOC, should continue to address poverty eradication through an integrated and holistic approach, by evolving specific development strategies to halve extreme poverty by 2015, fostering social integration and making employment a central objective of national and international macroeconomic policies.

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540. Remarks by Permanent Representative at the UN Ambassador Nirupam Sen at informal Consultations of the Ad Hoc Working Group on the Revitalization of the work of the UN General Assembly.

New York, February 16, 2006.

Madam Co-Chair,

We appreciate this opportunity to exchange views on the revitalisation of the General Assembly. We join our colleagues in congratulating both of you on your appointment. Comparisons are invidious but yours is perhaps the most important task. If the General Assembly cannot be revitalised the rest of the reform process may prove unavailing, certainly skewed and sub-optimal.

We entirely support the statement made by Malaysia, on behalf of the Non-Aligned Movement. Therefore, we shall confine our observations to dimensions that need to be highlighted or additional points that need to be made.

The Outcome Document clearly reaffirmed the central position of the General Assembly as the chief deliberative, policymaking and representative organ of the United Nations, and the role of the Assembly in the process of standard-setting and the codification of international law. It also called for full and speedy implementation of the measures adopted to strengthen the General Assembly's role and authority.

Paragraph 4 of General Assembly resolution 59/313, pursuant to which these consultations have been scheduled, decided to identify ways to further enhance the role, authority, effectiveness, and efficiency of the General Assembly, *inter alia*, by building on relevant Assembly resolutions and reviewing the agenda and working methods of the Assembly. While welcoming discussions on the three key elements that you have identified in your letter as being part of this task, we believe that the mandate provided by the General Assembly on this issue is much broader, firstly, because 59/313 decided to build on relevant Assembly resolutions, which includes resolutions 58/126, 58/316 and 59/313 and, secondly, the two tasks that have been identified in para 4 of resolution 59/313 are only indicative – para 4 speaks of these measures in the context of the popular UN phrase, “*inter alia*”. We, therefore, consider the key elements identified in your letter as a good starting point for our discussions.

The primary question that we should address is whether the General Assembly can be revitalized through a mere rationalization of its agenda or meetings. Perhaps, we need to remind ourselves that the task before us is to strengthen and revitalize the General Assembly and not to carry out its administrative reorganization. We are convinced that the General Assembly can be revitalized only through action, through taking decisions according to the approved rules of procedure; through asserting control over long term questions of peace and security, including disarmament and arms control (Articles 11 and 14 of the Charter); by elaborating international law and human rights, including oversight of all human rights machinery (Article 13.1); by controlling Secretariat restructuring, including finance, personnel and management; by setting the international economic agenda; and by establishing the principles of oversight and accountability through actually selecting the heads of the UN and its bodies. Such strengthening and revitalization cannot be accomplished through a mere rationalization of agenda and meetings or by transferring items from one weak body to another.

Not only is there need for full respect for the functions and powers of

the principal organs, in particular the General Assembly but also to maintain balance among them within their respective functions and powers in accordance with the Charter. The UN Security Council acts on behalf of the Member States while carrying out its primary responsibility for the maintenance of international peace and security under Article 24 of the Charter. Accountability to the General Assembly is implicit in the performance of the Council's primary responsibility. Along with respecting and upholding the Charter, it is imperative that the Security Council avoid the temptation to shift the agenda of the Assembly to the Council. The Security Council seems to be following Oscar Wilde's example of "resisting everything except temptation." The encroachment by the Security Council on issues which clearly fall within the functions and powers of the Assembly and its subsidiary bodies is contrary to the decision that we have all taken together, including the members of the Security Council, to strengthen and revitalize the General Assembly.

The General Assembly should not depend on the Security Council for its own revitalization - it must defend what it is mandated by the Charter to do. Thus, the Security Council, by its decision to focus this month on the issues concerning peacekeeping operations, management/procurement and sexual exploitation and abuse in peacekeeping operations has clearly encroached upon areas that are still under the Assembly's active consideration and which under the Charter fall within the competence of the Assembly. Consultations may help but I am not sure that consultations would be enough.

Consultations seldom prevent land encroachment. It is unlikely, that, by themselves they can check mandate-encroachers any more than they check land encroachers. The General Assembly will have to address this assault on its functions and prerogatives or else give up discussing its revitalization. The Non-Aligned Movement has already done much in its letters of 3 February and 14 February addressed to the General Assembly President. As we deliberate on further measures that we need to take for the revitalization of the General Assembly, members of the Assembly need to consider ways to defend the Assembly's mandate, including through their approach to participation in discussions of the Security Council that encroach on the mandate of the Assembly.

Resolution 59/313 focused not just on the role and authority of the Assembly and its revitalization but also on the strengthening of the role and leadership of the President of the General Assembly. The position of the President and his leadership would be strengthened not just by

organizing debates or by augmenting of the resources available to him but also by the proactive role that the President can play vis-à-vis the President of the Security Council whenever the Council encroaches upon the mandate of the General Assembly that has elected him.

The General Assembly's role cannot simply be one of constructive relationship to ensure a better coordination. It should go beyond coordination and coherence to setting the agenda. The Assembly must focus on the global economic architecture and change it and ensure the centrality of the UN in economic matters. It is in the interest of the developing countries to increase their weight and voice and thereby exercise a beneficent influence on Bretton Woods Institutions.

Member States would soon engage in the process of selecting a Secretary-General for the U.N. At the moment, the Security Council presents a name of the candidate to the General Assembly for its consideration. Thus, the GA has a *de jure* role in the selection procedure while *de facto* selection is made by the Security Council. If the General Assembly is to be revitalized, its involvement in the selection of the Secretary-General should be both *de facto* and *de jure*. Instead of a selection process which is shrouded in secrecy, we need a leader aware of and responsive to the aspirations of the wider membership, with the legitimacy of a wider base and a less arbitrary selection process where the General Assembly would both have primacy and a *de-facto* and not just a *de-jure* role in making the choice. It was after all the General Assembly that in 1950 made the decision to extend the tenure of the first Secretary-General Trygve Lie by three years when the Security Council informed the General Assembly about its inability to agree on a recommendation on the appointment of a Secretary-General. To take another example, in 1946, the resolution that the General Assembly adopted on the appointment of the Secretary-General and the respective roles and responsibilities of the Security Council and the General Assembly in that context, was based on the recommendations of the Fifth Committee. It is more than sixty years ago that resolution 11(1) was adopted and perhaps it is now time to revisit the issue to impart greater transparency and inclusiveness in the selection process.

There is a tendency outside the United Nations, but not only outside it, to denigrate the General Assembly and deny it, its vital role. This is strange considering its pre-eminent role since the time of the founding of the Organisation. The General Assembly has provided the structural competence in establishment of specialized programmes on issues that

are of primary concern to the large majority of this principal organ. These include a wide range of activities including human rights, children, refugees, food aid, trade, aid, population control, disaster relief, environmental protection etc. In this context, it is necessary to consider whether the exercise of mandate review in all organs should be conducted by the General Assembly in order to have a complete picture of overlapping mandates and the changes in mandates that have, for example in the case of the Security Council, resulted from setting up of the Peacebuilding Commission and the changes in human-rights related mandates that will result when a Human Rights Council is set up. An important activity such as a mandate review should therefore not be done piecemeal but in a comprehensive way by the only universal representative organ of the United Nations which is the General Assembly.

It will also be necessary for the General Assembly to keep in mind that the mammoth exercise of mandate review is not bound by an artificial timeline or held hostage to any spending cap. This would not only be impractical but may produce outcomes that we may eventually find difficult to unravel. For example, the adoption of the mandate under Security Council Resolution 1646 has created enormous difficulties in the setting up of the Organisational Committee of the Peacebuilding Commission.

In conclusion, I would like to state that the General Assembly

has to either set the agenda or be dominated by somebody else's; either act or remain in the realm of words for years to come; either find concrete and effective mechanisms for actually addressing the concerns of the vast majority of this Organisation or continue to be a spectator to the progressive encroachment on its role and authority.

I thank you Madam Co-Chair.

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541. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the General Debate of the Special Commission on Peace-keeping Operations at the UN General Assembly.

New York, February 27, 2006.

Mr Chairman,

We congratulate you and other members of the Bureau on your re-election. We thank Under Secretary General Guehenno for the traditional statement this morning that highlights the priorities in peacekeeping for the coming year.

We associate ourselves with the statement delivered this morning by the distinguished representative of Morocco, on behalf of the Non Aligned Movement and, therefore, we shall confine our observations to dimensions that need to be highlighted or additional points that need to be made.

The report of the Secretary-General (Doc A/60/640) addresses some important issues that have arisen consequent to the current surge in peacekeeping. We note the increase of the total number of uniformed personnel in the field currently to approximately 70,100 and civilian personnel to 15,000. The challenges that face us in peacekeeping today are not only because new missions have been set up or old ones expanded but also because of the manner in which they were set up; what they are asked to do and, not the least, the tools they are provided with.

Article 24 of the Charter, which defines the functions and powers of the Security Council in the maintenance of international peace and security, begins by stating that these are conferred on it "in order to ensure prompt and effective action by the United Nations". But when the Council is not prompt or is ineffective, it ceases to discharge its primary responsibility. The degraded operational effectiveness of UNMEE is one such example.

Mr. Chairman, peacekeeping was visualised as a tool jointly invented and honed by the Council and the General Assembly, not an attribute of power given to the Council by the Charter. Therefore, the Special Committee on Peacekeeping Operations must seriously discuss whether the Security Council should continue to have a monopoly in the setting up and running of peacekeeping operations. The United Nations Emergency Force during the 1956 Suez Crisis was established by the GA. Some UNSC members

had opposed the legality of the Uniting for Peace Resolution and the establishment of this Force.

These and the expenses incurred on UNEF and ONUC were referred by the GA to the International Court of Justice which declared that the responsibility conferred by Article 24 (1) is "primary" and not "exclusive". The ICJ added that the "exclusivity" is solely reserved for coercive action under Chapter VII and the GA was competent "to organise peacekeeping operations, at the request or with the consent of the States concerned" under Article 11 (2).

There is also a much more practical reason for the General Assembly to take matters in hand. The Security Council determines the nature and size of peacekeeping mandates and also extends the duration of such missions from year to year. The General Assembly determines the financing and management of such missions. Permanent Members of the Security Council are required to pay more for such missions by virtue of their "special responsibility" for maintaining peace and security. But we have a situation where Permanent Members of the Security Council do not pay their assessments to particular peacekeeping missions for years on end thereby creating problems in their financing and management. Surely such 'special responsibility' also entails responsibility for financing of the mandates that they determine. Since Security Council members have been unwilling to finance some of the very mandates that they approve, it is perhaps necessary for the General Assembly, by virtue of its responsibility to manage those missions, to take up those mandates and to examine them closely. Otherwise, it will not be possible to continue some of those peacekeeping mandates.

Again, the Secretary-General will be presenting proposals for consolidation of peacekeeping accounts to the Fifth Committee. This presents an opportunity for Member States to address the issue of selective financing of peacekeeping missions that is sometimes resorted to. Member States should be entitled to cash surpluses from missions only if they do not have dues to other missions. Such consolidation will also help the Secretary-General to better manage the finances of peacekeeping missions. It will address the chronic cash deficits faced by some missions and ensure predictable troop cost and contingent owned equipment reimbursements to Member States.

We welcome the Secretary-General listing the important issue of enhancement of safety and security of uniformed and civilian personnel, as one of the five objectives of his agenda in this year's report. The safety

and security of UN peacekeepers is an area of critical concern for troop contributors who place the lives of their soldiers at risk, in pursuance of the UN ideal. The 122 deaths of peacekeepers in 2005, including that of an Indian peacekeeper Naib Subedar Ram Kripal Singh, while doing his duty with the UN Mission in the Democratic Republic of Congo, is a reminder of the worsening situation regarding the safety and security of peacekeepers in the field. It is, therefore, important that we address this challenge. The UN needs to place emphasis on enhancing its capacity for information gathering and assessment and sharing it with field units along with concrete recommendations for preventive action. The progress made through the establishment of Joint Operation Centres and Joint Mission Analysis Centre (JOC/JMAC) has yet to filter down to the Missions. We would once again underline the importance of sharing of information with troop contributing countries and field commanders. The information should not be lost in the jungle of the 'cohesive integrated Headquarters'.

India has been a leading proponent of energising the mechanism of triangular consultations between Troop Contributing Countries, the Security Council and the United Nations Secretariat. In this context, we do note the holding of Private Meetings under Resolution 1353 format and increase in the frequency of briefings for TCCs. However, they still continue to be held on the eve of renewal of Mission mandates, giving little scope for serious or meaningful discussions. We would re-emphasise that TCCs need to be involved early and fully in all aspects and stages of mission planning. Their views must find their way into mission mandates. It must be borne in mind that those who have the final say in the Security Council resolutions rarely participate in their implementation; it is not their troops who have to translate the Council's words into action, or bear the brunt of criticism if things go wrong, because the mandate is unrealistic or the means authorised inadequate.

It took 47 years to begin to recognise the spirit of Article 44 when the "first meeting of TCCs" took place in May 1993 and it was only in May 1994 that the UNSC recognised the "need for enhanced consultations" with TCCs. If the situation continues to be unsatisfactory, countries may have no recourse but to operationalize the unused Article 43 to redress the breach of Article 44. In any case, Article 43 was designed as a limitation on the use of force under Article 42.

We welcome the Secretary-General's efforts to further deepen the relationship between the United Nations and African Union. The World Summit in September 2005 had supported the development and

implementation of a ten year plan of capacity building with the African Union. India supports these efforts. We share close and historic ties with our African brothers and sisters and are ourselves involved in bilateral capacity building efforts in many of their countries. Notwithstanding this important capacity building exercise, the UN cannot absolve itself of "its responsibility under the Charter for the maintenance of international peace and security", as the report of the Special Committee (A/59/19) states. The real challenge for the UN is to strengthen peacekeeping without regionalising it.

We note the emphasis of the Secretary-General on reforming the United Nations Stand-by System (UNSAS) as a central element in increasing the UN's capability to rapidly deploy military and police personnel. The 2005 World Summit, recognising the importance of adequate reserve capacity, noted the need for enhanced rapidly deployable capacities for peace operations facing serious challenges. The Secretary General has offered three options. We have already outlined our views on regional arrangements. As for "inter mission cooperation arrangements", limited logistical support could be considered in certain specific circumstances but we have reservations over blanket sharing of assets and personnel of one mission in a region with those of another. This is contrary to UN practices and provisions. We look forward to a constructive exchange on these options during the Committee session.

As regards the sensitive and delicate issue of conduct and discipline, we are convinced that sexual exploitation and abuse are totally unacceptable forms of behaviour. We fully support the establishment and implementation of a policy of zero tolerance and note the work done by DPKO in the past year on raising the awareness of those with managerial and command responsibilities; establishing standards of conduct, training and investigation. Careful preparatory training in terms of a multi-cultural, pluralistic and tolerant outlook is as important as subsequent swift punitive action, once culpability is established.

In the context of focussing on issues of sexual exploitation and abuse in peacekeeping operations by the General Assembly, we support the NAM Chairman in resisting the effort by the Security Council to encroach on an issue that clearly falls within the functions and powers of the General Assembly and its Subsidiary bodies. We would urge the C-34 to continue taking the lead on issues relating to sexual exploitation and abuse. Incidentally, the Secretary General must continue his efforts to "increase procurement opportunities for developing countries and countries with

economies in transition”, as envisaged in Fifth Committee Reports and Resolutions.

Mr Chairman, the establishment of an Integrated Training Service (ITS) is a welcome step. In this regard, the Department of Peacekeeping Operations must utilise and benefit from the considerable field expertise of the Troop Contributing Countries.

The role of Civilian Police in peacekeeping has grown substantially. We have noted that the UN Secretary-General has proposed the creation of a Standing Police Capacity, an initiative that was proposed at the World Summit in September 2005. We appreciate the efforts being made by the Police Adviser and DPKO to get it operational. In this context, we look forward to engaging in constructing discussions during this session to carry this concept forward. We would like to emphasise that due attention should be paid to coordination between the police and military components of the UN Peacekeeping Missions in the field.

Mr. Chairman, India stands committed to assist the United Nations in the maintenance of international peace and security. We have a proud history of UN peacekeeping dating back to its inception in the 1950s. We have contributed nearly 80,000 troops, and participated in more than 40 missions. India has also provided and continues to provide eminent Force Commanders for UN Missions. We salute the 110 personnel of the Indian Army, as well as peacekeepers from other countries, who have made the supreme sacrifice by laying down their lives for the cause of world peace, while serving in UN Missions. This is the “friendship bound with the bandage of the arm that drips, knit with the webbing of the rifle-thong”.

Mr Chairman, in response to the Secretary-General’s call for increased representation of female personnel in field missions, we are contributing lady military and police officers to a number of UN Missions. We have recently pledged to send a full Female Formed Police Unit to UN Mission in Liberia (UNIMIL). This also reflects India’s commitment to assist the UN in reaching out to the most vulnerable sections, i.e. women and children, in conflict and post-conflict societies.

In conclusion, **Mr. Chairman**, I would like to assure you and other Bureau members of my delegation’s full cooperation and support in the work that lies ahead.

Thank you.

542. Statement reconstructed from extempore remarks by Ambassador Nirupam Sen, Permanent Representative of India to the United Nations, in the General Assembly, after the adoption of Resolution A/60/L.48 setting up the Human Rights Council.

New York, March 15, 2006.

Mr. President,

Jawaharlal Nehru, in a famous and moving speech, said that “a moment comes, which comes but rarely in history, when we step out from the old to the new” and we have witnessed such a decisive moment this morning. The United Nations has shown, in spite of all its critics and the crescendo of criticism to which it has been exposed, particularly in the recent past, that it can deliver, that it can create something with a high threshold, something that is radical, something that is new and can achieve this broad agreement among such a vast membership. Here I must say that you, Mr. President, deserve our special congratulations for the sensitivity with which you have held firmly to the centre where broad agreement inhabits and the sensitivity with which you have been able to take on board the views of diverse members and to harmonise these in this text in order to achieve a broad agreement.

As far as India is concerned, for us it is certainly a special day because we are committed, and indeed have been since even before independence to the enlargement of human freedoms throughout the world. This Council meets the demands of the civil society of the world, again to use a phrase from the same speech of Jawaharlal Nehru, “not wholly or in full measure but very substantially”. This is indeed a creditable achievement and a very important achievement for the United Nations itself. We also wish to congratulate the co-Chairs, Ambassador Arias and Ambassador Kumalo, for the work they did, for their tireless efforts. We think that the strength that has been evident in these negotiations has been the strength of cooperation and dialogue and the future strength of this Council will also depend on the same principles of cooperation and dialogue. It is really in this spirit that my delegation has also worked in order to promote a broad agreement and we therefore also have a sense of institutional satisfaction as a delegation.

We are also confident that because of the principle that I just enunciated there is no real contradiction. I have listened carefully to the

statements of most of the delegations and I really do not see any contradictions between what is in the text and what most delegations would like to achieve and like to see happen. For instance, you yourself, Mr. President, have said in your statement here that we must evolve better ways of promoting tolerance, respect for and freedom of religion and belief. This is something that is a part of the work of any Human Rights Council, as it is certainly a part of innumerable human rights instruments that we have. In this connection, I would like to recall also the American Convention on Human Rights (to which almost all the countries of the Americas are signatories) which is also referred to as the Pact of San José, Costa Rica of November 22, 1969, which, in Part 1, Chapter 1, Article 1, emphasises opposition to “discrimination for reasons of race, colour, sex, language or religion”. So we do not really think that there is a contradiction between what this Council will do and should do and established understanding of human rights as embodied in various instruments, including in this region where we are sitting at present. We all know also that this is very much a part of the African Union Charter on Human Rights, the Banjul Charter. This is part of the thinking of the developing countries also. I may mention a great philosopher of modern Ghana, Kwame Anthony Appiah whose great work called “Cosmopolitanism” clearly says that there are universals. We may not think that these universals include let us say liberalism or relativism, any special beliefs, but there are universal moral obligations which include respect, as he says, for particularities. So this is very much a part of our thinking and very much a part of the cooperation and dialogue in which this Council was born and which will give strength and life to this Council as it works in the future.

Similarly, we stand very firmly by the text on the General Assembly having the power to point out systematic and gross violations of human rights. We are happy that we do not have Security Council-determined conditionalities. Quite apart from the reasons which I have mentioned in detail elsewhere on earlier occasions and would not like to repeat at this stage, in the context of the current debate, any Security Council-determined conditionalities may, in fact, tempt it into further encroachment on what essentially is some thing for the General Assembly to ultimately take a view on and, therefore, such encroachment would continue to be resisted, as with a wall of steel and, hopefully, would eventually be rolled back and swept away, as by a river in spate. So here also I do not see any contradiction and, in fact, we think that the text captures what needs to be done.

The same is true of the Right to Development reflected both in the preambular and in the operative paragraphs of this Resolution. There is quite clearly a commitment to the Right to Development and, we think this is as it should be. Here also, again, we do not see any contradiction between the emphasis on this Right and that which the text has and here the text really belongs to a long tradition. It goes back to the General Assembly Resolution of December 4, 1986 on the Right to Development which clearly said that this is “an inalienable human right” in which “all human rights and fundamental freedoms can be fully realized”. It was also the UN Committee on Economic, Social and Cultural Rights which, in 1990, sponsored in Geneva, as we all know, a Global Consultation on the Realization of the Right to Development as a Human Right. Mr. President you said in your statement that on development we must now do all we can to ensure that the commitments of 2005 are implemented in 2006 and if we are achieve the Millennium Development Goals by 2015, there is no time to lose. I would recall in this context the 7th session of the Working Group on the Right to Development which was held in Geneva from January 9 to 14, 2006. It adopted a set of criteria for evaluation, periodically, of the global partnership for development in MDG 8 from the perspective of the Right to Development. Also it said that the policies of the Bretton Woods Institutions have to be corrected in terms of deficiencies from the perspective of the Right to Development. Here also there is broad agreement which straddles across divides and again I see no fundamental contradiction. The Right to Development in Article 22 of the African Charter is a legally binding provision. This year in Geneva both Canada and Japan joined the consensus in this Working Group on the Right to Development so that, as we move forward, we should have the cooperation of a broad majority of States in fulfilling the promise of the Millennium Declaration to “make the right to development a reality for all”. With this, I would conclude by expressing my congratulations to all Member States who have made the Human Rights Council possible.

I thank you.

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543. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the Informal Consultations of the Ad Hoc Working Group on the Revitalization of the General Assembly at the United Nations.

New York, March 16, 2006.

Madam Co-Chair,

We thank you for convening the third meeting of the working group and the two informal notes on the implementation of resolutions 58/126, 58/316 and 59/313. After all, these resolutions and their implementation provide the basis for our deliberations here. Let me first comment on the information provided in the two informal notes.

This information at times is incomplete and, in some cases there is inadequate explanation of why a particular measure remains unimplemented or partially implemented. To give an example, OP4 of resolution 58/126 called on the General Assembly President to apprise the General Assembly of his decision on the assessment of the debate on the annual report of the Security Council as to the need for further consideration of the Council's report and on any matters that need to be brought to the attention of the Security Council. The "Status of Implementation" provides the following information: "To date, consideration of the report of the Security Council has been held in the plenary." This is neither sufficient nor gives any idea whether there was any assessment undertaken or whether a need was felt for further consideration of the Security Council report, including in respect of convening informal consultations.

On the question of "rationalisation of the agenda" the information provided in the second note indicates that several Main Committees have undertaken measures to bi-ennialise and triennialise agenda items. A more useful analysis for our work would be the number and proportion of items that have actually been biennialised or triennialised? The question is not whether resolutions can be biennialized or triennialized. The question is whether it this is really an effective mechanism for the revitalisation of the General Assembly.

A similar assessment of the measures provided in resolution 58/126 needs to be undertaken - for example, whether the mechanism of meetings of the Bureaux-elect immediately after their election and meetings

between incoming and outgoing Bureaux was found to be useful in improving the functioning of the Main Committees. This type of assessment can be provided by the Bureaux of the Main Committees to the General Assembly President as it would give us an insight into the utility of such mechanisms in improving the functioning of the Main Committees.

One fact is, however, very clear - the resolutions adopted by the General Assembly on the rationalisation of its agenda and working methods have had little or no impact on improving either its effectiveness or its efficiency. In fact, rationalisation of the agenda and improvement of its working methods will only be meaningful if it, in turn, leads to implementation of General Assembly decisions. Or conversely, if General Assembly decisions are implemented in full measure, this could obviate the need for considering an agenda item in a subsequent year.

As I had said during a previous discussion, administrative reorganization measures envisaged under these resolutions are insufficient for revitalization of the General Assembly. The short point is that, if these measures were sufficient we would not be discussing the revitalization of GA today. This has more than amply been demonstrated by the increasing encroachment on and consequent undermining of the role and authority of the General Assembly by the Security Council. While the relevant Committees of the General Assembly will continue to examine these issues, the General Assembly plenary sooner rather than later will, have to consider issues that fall within its prerogative. These are, after all, integrally linked to the UN reform process as well as the shape that these reforms take, specially whether this will be a General Assembly determined process. We achieved this substantially in the case of the Human Rights Council established yesterday but could not do so satisfactorily in the case of the Organizational Committee of the Peace-building Commission. In formal terms, the Secretariat's background note correctly claims that much has been achieved. In real terms, not only has the decline in the authority and role of the General Assembly not been reversed; it has not even been halted. If anything, not only does this decline continue apace; in the recent past it seems to have gathered momentum.

This was to be expected. Five additional posts, transitional office accommodation, election of the full bureaux three months in advance, reorganisation of the agenda, services for ad hoc groups, rationalising the agendas of the main committees, their adopting early programmes of work, issuing GA Rules of Procedure online and the like can at best clear the

wreckage and streamline things; it cannot empower the General Assembly. These measures do not automatically lead to empowerment but empowerment would inevitably have led to the automatic adoption of these measures.

Working methods by themselves do not empower. The Security Council is gathering ever more powers though its working methods are opaque and its Rules of Procedure not only not online but formally provisional and actually seldom observed.

The background note says that the use of optical scanners is still being examined. Even if the examination were to be completed, the measure would streamline but not empower.

Stalin understood this point well when he said that “what is important is not who does the voting but who does the counting”.

What we require is not something technical and therefore marginal but something political and therefore central – in short not a technical improvement but political empowerment. I would like to suggest six measures that this Working Group may wish to consider:-

1. The meeting between the Presidents of the General Assembly, the ECOSOC and the Security Council are meant to promote the harmonious functioning of these organs. But harmony cannot be achieved by one chord in a one sided manner. What if the Security Council does not heed sound advice, as has happened recently (in the case of the PBC and procurement debates). In such cases, it is not enough to let the ritual meetings go on and achieve little: it is important for the General Assembly to take matters in hand and hold a debate on the issues where encroachment has taken place and take practical concrete measures to assert its oversight role and authority.
2. Similarly, the Chart on Implementation annexed to the background note shows that since the adoption of Resolution 58/126 of December 2003, no special subject oriented reports have been submitted to the General Assembly. The General Assembly may wish to seek specific reports for its consideration on specified subjects. This would be of special importance in the coming months. Following the submission of the last Annual Report, many delegations had stated that it represented a marked retreat from better working methods

since it was purely factual and devoid of analytic content. In future, the General Assembly could consider rejecting such reports and asking for fresh reports.

3. The background note mentions the role of the GA in discussing issues pertaining to the maintenance of international peace and security. It is worth remembering that the United Nations Emergency Force during the 1956 Suez Crisis was established by the GA and this as well as the expenses incurred were upheld by the International Court of Justice which had clearly stated that the responsibility conferred by Article 24(i) on the Security Council is "primary" and not "exclusive". The Security Council determines the nature and size of peacekeeping mandates and also extends the duration of such missions from year to year.

The General Assembly determines the financing and management of such missions. Permanent Members of the Security Council are required to pay more for such missions by virtue of their "special responsibility" for maintaining peace and security. But we have a situation where Permanent Members of the Security Council do not pay their assessments to particular peacekeeping missions for years on end thereby creating problems in their financing and management. Surely such 'special responsibility' also entails responsibility for financing of the mandates that they determine.

Since Security Council members have been unwilling to finance some of the very mandates that they approve, it is perhaps necessary for the General Assembly, by virtue of its responsibility to manage those missions, to take up those mandates and to examine them closely. Otherwise, it will not be possible to continue some of those peacekeeping mandates.

4. We are soon going to consider the mandate review in all organs of the UN. Perhaps we need to consider whether this exercise should be conducted by the General Assembly in order to have a complete picture of overlapping mandates and the changes in mandates that have, for example in the case of the Security Council, resulted from setting up of the Peace-building Commission and the changes in human-rights related mandates that result from the setting up of the Human Rights Council. An important activity such as a mandate review should therefore not be done piecemeal but in a

comprehensive way by the only universal representative organ of the United Nations which is the General Assembly.

5. We are discussing elsewhere the strengthening of ECOSOC. Sometimes, we hear talk of duplication between the work of ECOSOC and the Second Committee. It is important to bear in mind that the ECOSOC is supposed to consider the details of issues and the General Assembly provide policy guidance. There is a clear complementarity leading to synergy. The General Assembly should also give some attention to this matter in order to preserve this because this is so essential for fulfilling the development mandate of the United Nations. A mechanical approach to duplication could lead to further emasculation rather than empowerment.

It is amply clear that it is not a question of going beyond what is contained in these resolutions for guidance but of implementing these in letter and spirit. Take Preambular paragraph 10 of resolution 59/313 which reaffirms that the plenary meetings of the General Assembly should constitute a forum for high-level policy statements, as well as for the consideration, inter alia, of agenda items of special political importance and/or urgency.

6. A crucial issue of special importance for all of us will be the selection of the new Secretary-General. There has been a growing realisation both among Member States and among civil society on the need for a Secretary-General who comes to office backed by the legitimacy of a wider support base and a less arbitrary and more inclusive selection process than the current arrangements. The practice since 1971 – of the General Assembly accepting the Security Council's recommendation and appointing the Secretary-General by acclamation - has to be seen against the legal requirement under Article 97 of the UN Charter, which recognizes that "The Secretary-General shall be appointed by the General Assembly upon the recommendation of the Security Council". In any case, as far as the Security Council is concerned, the days of acclamation seem to be over; there is less and less left to acclaim.

The General Assembly has to reassert its appointing role and its primacy in this matter.

The provision in Resolution 11(1) that it is desirable that the Security Council recommend one candidate was in the context of a different world

order that existed at that time in which it was desirable that the two cold-war adversaries agree on a common candidate before putting forward his name. (This was meant to straddle the East-West divide). The situation today is entirely different. The time has now come for a greater de facto and not just abstract de jure General Assembly involvement in the selection of the Secretary-General.

This working group should, therefore, consider revisiting Resolution 11(1) of 1946 as a key priority in its work. It should consider formulating guidelines and criteria for the selection of the Secretary-General – a process which will inject new dynamism and impart greater legitimacy to the selection process. The basis of work can be the General Assembly Resolution 51/241 of 22nd August 1997, one of the most important for the revitalisation of the General Assembly through action on a specific issue of special political importance and some urgency. Paras 56, 57 and 60 of this Resolution are worth recalling: “56- the process of selection of the Secretary General shall be made more transparent”; “57- The General Assembly shall make full use of the power of appointment enshrined in the Charter in the process of the appointment of the Secretary General and the agenda item entitled “The Appointment of the Secretary General of the United Nations”: “60 – Without prejudice to the prerogatives of the Security Council, the President of the General Assembly may consult with Member States to identify potential candidates endorsed by Member States and, upon informing all Member States of the results, may forward those results to the Security Council”. The GA needs to build on the spirit of these provisions. As for transparency, since 1981 there has been an increase in arbitrariness and secrecy through first the straw polls and then coloured ballots, which incidentally concretized the distinction between permanent and non-permanent members in the shape of two pence coloured and penny plain – red were permanent members and white non-permanent members.

Our point of departure is the actual situation. On the one hand, there is a sense of alienation and disempowerment among the broad majority of Member States, made worse by the Security Council's continual encroachment on the prerogatives of the General Assembly. On the other, is the clear lesson of the Volker Report on the Oil-for-Food Programme that the Secretary General's lack of authority was not because of any management problem but because the Security Council (specially its permanent members) did not let him have any. Both these point to the necessity of a Secretary General who would be independent of such pressures and this can only be if he is elected by the General Assembly

not just de jure but de facto. This would also establish through action the primacy and authority of the General Assembly.

I thank you, Madam Co-Chair.

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544. Statement by Acting Permanent Representative at the UN Ambassador Ajai Malhotra on Role and Authority of the General Assembly: Substance of Debates and Resolutions, Relevance of General Assembly work at the Thematic meeting No. 2 of the Ad Hoc Working Group of the Revitalization of the Work of the UN General Assembly.

New York, April 6, 2006.

Madam Chair,

At the outset, I would like to associate myself with the comments made by Algeria on behalf of the Non-Aligned Movement.

We have previously addressed the need for and measures that can be taken to enhance the role and authority of the General Assembly. Thus, there may, per force, be some duplication in the issues raised today with those that we have raised previously.

Madam Chair,

The representative of the Non-Aligned Movement has already objected to the choice of the word “relevance” vis-à-vis the UN General Assembly in the title of the themes that we are discussing today.

Accordingly, I will not focus further on that point, except to state that the relevance of the UN General Assembly is beyond doubt. What we are considering is how to enhance its role and authority.

In response to the first question that you have placed before us today, it would be useful to revisit OPs 2 and 3 of GA resolution 59/313 on a “strengthened and revitalized Assembly”. It would be seen that thematic debates are one of six elements outlined in Operative Para 2 of resolution 59/313. There can be little doubt that further strengthening of the GA’s role

and authority will take place as a result of holding thematic debates. Operative Paras 2(b) to 2(f) of resolution 59/313, inter alia, speak of consideration of special reports of the Security Council through substantive and interactive debates in the UN General Assembly, of consideration of special subject-oriented reports submitted by the Security Council to the General Assembly on issues of current international concern, of the Security Council updating the UNGA on improvements in its reporting to the General Assembly. Unfortunately, no such reports have ever been submitted by the Security Council. As a result there has been nothing to consider. Securing the implementation of these provisions via thematic debates could certainly be a useful measure for strengthening of the GA.

Turning to the issue of selection of the themes for major thematic debates, it would be seen that Operative Para 3(a) of resolution 59/313 indicates that the President of the UNGA can propose interactive debates on current issues on the agenda of the Assembly, in consultation with Member States. Views of the Member States in deciding the themes for such periodic thematic discussions would be important in ensuring that the issues taken up are indeed of current global relevance. It would also be useful to avoid duplicating discussions held recently in other UN fora, for example, in ECOSOC or its functional Commissions. Revisiting many of the GA resolutions, starting from 57/270B, would show that the aspect of funding of developmental/humanitarian assistance, or the means of implementation is an important issue for the General Assembly to address. An overall assessment of the fulfillment of MDG-8 is another such issue.

I agree with the Ambassador of Jamaica that the UN General Assembly is the primary policy making organ of the UN and must be treated as such. ECOSOC could do much of the monitoring of implementation since it is the central mechanism for system-wide coordination and promotion of the integrated and coordinated implementation of and follow up to major UN conferences in the economic, social and related fields.

Turning to the next issue, Madam Chair, the need for GA resolutions to be concise, focused and action-oriented has been recognized in GA resolution 58/126. These are impeccable suggestions; obviously, no one wants resolutions that are long-winded or unfocussed. However, in the attempt to adopt a more concise text, the substantive elements of the resolution have to be kept in mind. Shortening the text of resolutions may not be practicable beyond a point and it is in any case not an end in itself.

As regards the issue of greater participation by and interaction with NGOs and others, this has to be seen in the context that UN decision-making is necessarily an inter-Governmental process. We cannot overlook or bypass this inter-Governmental character of the UN. The General Assembly has agreed on rules of procedure that must be strictly and diligently observed. The revitalization of the General Assembly cannot take place by compromising its rules of procedure.

As regards making the work of the General Assembly more visible to the public, the example set by the present UNGA President of leading from the front is worth emulating. Above all, the General Assembly makes its presence felt through its actions and the quality of its decisions. In recent months the General Assembly has established CERF, the Human Rights Council and the Peace building Commission.

These far-reaching steps have provided automatic visibility to the work of the UNGA. The GA can ultimately become more visible only if it takes important decisions or contributes to important decisions that matter.

In this context, I cannot avoid mentioning the issue proposed for our next discussion, namely, the role of the UNGA in election of the UN Secretary-General. It is by asserting its authority on issues assigned to it under the Charter and preventing encroachment by other organs of the UN on its authority and mandated responsibilities that the UNGA would be able to strengthen its public visibility. After all it is not only who you are that determines whether your actions are newsworthy, it is also what you do, i.e., the actions themselves that are important in determining whether the spotlight will be turned in your direction.

Thank you, Madam Chair.

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545. Statement by Acting Permanent Representative at the UN Ajai Malhotra at the informal meeting of the Plenary with members of the High-Level Panel on United Nations System-Wide Coherence in the UN General Assembly.

New York, April 6, 2006.

Mr. President,

At the outset I would like to thank you for organising this informal meeting for an exchange of views with the High-level Panel on UN System-wide Coherence. I would also like to thank the distinguished Panel for briefing us about their deliberations so far. We associate ourselves with the statement made by South Africa on behalf of the Group of 77.

Mr. President, poverty eradication and securing sustainable development are the first and overriding priorities of developing countries. Accordingly, we believe that the process of UN reform should be driven by a vision of a strengthened role for the UN on development issues.

We are told that reform is needed in view of high administrative and overhead costs, resulting in high cost of delivery of development assistance. What is needed is to address the fundamental issue of the gap between mandates and financial resources available for their fulfilment. We must recognise that the delivery role of the UN will perforce be peripheral, given the modest funds available to the UN and the huge requirements of developing countries. Yet, there is an important catalytic role to be played by the UN. We have to help the UN make its buck go further. With this in mind we would propose that South-South Cooperation play an important facilitatory role in the UN context. The impact and effectiveness of development assistance could be enhanced by the use of local expertise including use of relevant technologies. We have to think global, but use local. Thus, projects in a recipient country may be tackled through “in-sourcing”, both from within a recipient developing country and amongst developing countries. Such an approach would lead to considerable savings that could be ploughed in to meet other development demands.

Mr. President, there have been references in our discussions to national or country ownership of the process. However, national or country ownership is not in doubt. What we are talking about is national or country “leadership” of the process. This resumes that inputs from UN and others should be in line with and support national plans, programmes and priorities.

Mr. President, several views have been expressed regarding the

need for a more coherent governance structure. It has been argued that multitude of bodies, procedures, etc., weakens the efficiency and impact of development activities. It may be a good idea to examine proposals for development/environment institutions being run as “tightly managed entities”. After all, who can contest the merits of “tight” management. However, proposals for drastic reengineering of development and environment bodies by collapsing them inwards into “large unified entities” is not a good idea. In this context, we are happy to note that Mr. Greenhill has today spoken about the High Level Panel having “no pre-cooked solutions” in mind. There is still a case for specialised and separate entities to serve specific mandates, which may otherwise not receive the emphasis or financial resources they deserve. Moreover, taking the example of environment bodies, many of them are young and have probably benefited from their geographic dispersal and relatively “independent” existence linked to the concerned Convention, e.g. Climate Change Secretariat at Berlin, Biodiversity at Montreal, Trans-Boundary Movement of Hazardous Wastes at Basel, etc.. Mr. President, you mentioned that you would soon be visiting Kenya. I have no doubt that while there you would note the advantages of geographical dispersal of agencies, including via the location of UNEP and UN-Habitat in Nairobi.

Turning to UN coordination in the field, a unified country-level approach for UN offices is perhaps not a bad idea. We are open-minded about it, especially if it leads to more efficient and effective delivery of development assistance. Mr. President, we are not convinced of the need to identify new horizontal policy themes for promoting coherence. There is no need to separately list environment and natural resources, as we learn has been done in the Concept Paper provided to the High-level Panel, as these are entirely covered within the “sustainable development” concept.

In our view, there may be some need for greater coherence as regards the process to be followed itself. Reference here is to the work of the High-level Panel, mandate reviews, strengthening of ECOSOC especially its oversight and system wide coordination functions and informal consultations on environment. All these considerations and processes would reach a boil or an outcome as per different time horizons and we hope that serious attention is given so that we do not reach contradictory or confusing results.

Lastly, Mr. President, we look forward to a transparent and inclusive process.

Thank you, Mr. President.

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546. Statement by Acting Permanent Representative at the UN Ambassador AJai Malhotra on Mandate Review at the Informal Consultations of the Plenary.

New York, April 7, 2006.

Mr. Chairman,

At the outset, my delegation aligns itself with the statement by South Africa as the Chair of G-77.

The review of mandates is one of the more important areas that we need to address in the context of management reform. In fact, the reevaluation of old UN mandates to determine whether they still serve a useful purpose or justify modification or removal, is an on-going exercise in many ways. This review process provides us with a good opportunity to address some of the waste and redundancy that permeates the UN system. This exercise would eventually have to extend to reviewing mandates of other UN actors, and not merely be restricted to the principal organs. We are ready to join other Member States in an exercise that aims at eliminating obsolete UN mandates, changing those that have become wasteful or ineffective, and reassigning resources so released to other objectives.

Mr. Chairman,

Let me also express my appreciation to the UN Secretariat for responding promptly and effectively to our request to develop an electronic inventory of mandates. When we had sought such a database, we had in mind that it would be of particular use to smaller delegations with limited manpower as also to capitals. We now recognize that the on-line database will not only meet those objectives but has several long-term uses.

We have examined the Secretary-General's report on mandate review that was released on March 30 and would like to commend the 2 Secretary-General for the dispassionate and professional manner in which the data has been presented. We find it particularly attractive that the facts provided have not been overlaid with subjective judgement. This unbiased presentation provides us with the raw material to conduct the review. We do hope that these facts and the electronic data will now not be twisted with a view to achieving narrow political objectives. Instead, we expect that we could now start in good faith an inter-governmental process of review whose aim will not be cost cutting nor the achievement of targets

against artificial timeframes, but a consideration of the mandates to see what we can all agree upon that needs to be retained or dispensed with. This is a Member State exercise and it is for Member States to arrive at their own determination regarding the value or otherwise of individual mandates.

The report of the Secretary-General (A/60/733) helps demystify the mandate review exercise. The definition of a mandate as “a request or direction, for action” is in concordance with the definition of outputs under Rule 105.4 of the PPBME Regulations and Rules. This has been recognized in para 36 of the report, which arrives at the same conclusion that my delegation and the G-77 arrived at in September 2005, namely, that existing regulations and rules provide for an ongoing mandate review. Regulation 5.6 states, and I quote, “within the proposed programme budget, the Secretary-General shall submit to the GA, with justification, a list of outputs....which...can be discontinued and which....have not been included in the proposed programme budget.” As recently as December 2005, while approving the current biennial programme budget, the General Assembly discontinued over 2,700 such mandates. Nearly a thousand were discontinued in the previous biennium. Figure 2 on page 12 of the report of the SG would have been even more useful if it had also indicated such outputs or activities that have been discontinued in past years and not just those mandates that have not been renewed in the last five years.

This is not to suggest that there are no further activities that could be considered for discontinuance, but to point out that there are mechanisms that permit such ongoing review and which have been and continue to be used.

The Committee on Programme and Coordination reviews such proposals for discontinuance of activities proposed by the Secretary-General. The CPC report is presented to both the ECOSOC and the UNGA for review. It is only in the Security Council that there is no regular review of its mandates; it would be timely to institute such mechanisms there.

Mr. Chairman,

While existing procedures do provide a means to address the issue of mandate review, it is in the area of duplication and overlapping mandates of principal organs that the inventory of mandates will be useful in order to sharpen the focus of each. Under the present effort, each principal organ is required to examine its own mandates. However, it is necessary for one

body to also examine overlap of activities amongst all principal organs. The only body that can perform such a function is the General Assembly. This also appears to be borne out by the content of the report of the Secretary-General. The mandate review has to be mutually reinforcing with other processes underway. The Secretary-General has concluded that the exercise of the revitalization of the GA will provide a strong base on which Member States can conduct the mandate review. We would like to take that view a step further and state that decisions and action by the General Assembly on the mandate review relating to all organs will, in turn, also revitalize the GA.

We agree with the Secretary-General that it may be necessary to initiate a process to consider more fully which intergovernmental organ should be the primary forum for the consideration of certain items and to find ways to improve coordination between the principal organs on those issues that are of concern to all organs. Again, this is an exercise for the General Assembly to undertake as the only universal representative organ of the UN.

Mr. Chairman,

Turning to the recommendations of the Secretary-General, the report has suggested that the Secretariat provide information about proposed mandates in a draft resolution in the same way that it provides budget implications during consideration of a draft resolution. This needs to be considered carefully. Statements of budget implications have of late had the undesirable effect of mandates not being approved in principal organs and main committees unless the resolution states that they are "within existing resources". Firstly, it is the Fifth Committee of the 4 General Assembly that determines whether a mandate should or should not be financed from within existing resources. Secondly, the gap between resources available and mandates approved has grown over the last few years as a consequence of other bodies adopting mandates "within existing resources". To add another statement on proposed mandates may lead to friction between Member States and also unnecessarily put the Secretariat in conflict with Member States, since determination of the value of a new mandate is a purely subjective interpretation which should be left to Member States. In any event, unlike in the past, Member States would now have the electronic inventory of all mandates to consult in order to determine whether a proposed new mandate is required or not. Then again, the Secretary-General has stated that a report is often sought as a compromise when there is no agreement on the course of action to be pursued. This is

unfortunate but true and is used in situations where decisions have to be taken by consensus. Perhaps this is a small price to pay for maintaining that consensus.

The Secretary-General has also clearly identified the problem of the gap between mandates and resources committed by Member States. There is wide agreement in this room that mandate review is not a cost-cutting exercise. Hence, it logically follows that in the context of this review we should commit to fully fund those mandates on whose continuance we agree upon. If the objective of this exercise is to strengthen and update the work of the Organization, an objective we all share and have agreed to in the Outcome Document, then we would also have to commit to fund the mandates of this Organisation.

My delegation has consistently called for strengthening of monitoring and evaluation functions relating to mandates. We are glad that the Secretary-General has recognized the importance of these functions. Member States should commit to provide resources for monitoring and evaluation up to 2% to 3 % of the regular budget which has been identified by the Secretary-General as the standard for such organizations, as against the 0.35% that exists at present.

Finally, this exercise has provided Member States a valuable tool in the shape of a birds-eye view of all UN mandates. Fifty years ago, Dag Hammarskjöld initiated the first and only previous UN mandate review, but web-based applications with all their possibilities did not exist in those days. Now Member States will have control over the mandates that they have approved, be able to hold the Secretariat accountable for their execution, and exercise governance more effectively by conducting more thorough monitoring and evaluation.

Thank you, Mr. Chairman.

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547. Statement by Permanent Representative to the Conference on Disarmament Jayant Prasad at the UN's Disarmament Commission.

New York, April 11, 2006.

Mr. Chairman,

On behalf of my delegation, I congratulate you on your election as the Chairman of the Disarmament Commission and assure you of our full cooperation in your efforts to guide the Commission's work. We should like to express our appreciation for Ambassador Sylvester Rowe of Sierra Leone, the outgoing Chairman, for his contribution to forging a consensus on the agenda of the Commission. I would also like to congratulate the new Under Secretary General for Disarmament Affairs, Ambassador Nobuaki Tanaka, and compliment him on his thoughtful statement to the Commission yesterday. There is a deep connection between the deficient functioning of the United Nation's disarmament machinery and the decline in the multilateral ethic in international relations. The reconvening of the substantive UNDC session after a gap of two years to consider two important issues on the disarmament agenda is, in a sense, a reaffirmation of multilateralism. It symptomises that the multilateral approach, even if contested, continues to be regarded by the international community as critical for the development of norms and standards governing international relations.

The Disarmament Commission plays a unique role in the multilateral disarmament mechanism created by the First Special Session of the General Assembly devoted to Disarmament. As a subsidiary organ of the General Assembly, with the same universal membership, it has the mandate to consider and make recommendations on issues relevant to disarmament to the General Assembly, and through it, to the negotiating body, the Conference on Disarmament. The Commission provides a platform where all States can engage in an interactive and thoroughgoing dialogue over these issues.

The task of the Commission, thus, is to prepare the ground for disarmament negotiations, by elaborating a general approach to such negotiations. The Commission has previously been able to formulate principles, guidelines and recommendations on several disarmament issues, including those on verification and confidence building measures. Since the Commission reaches its conclusions by consensus, its

recommendations provide a useful and universally acceptable framework for all States in their endeavour to achieve their final objective: general and complete disarmament under effective international control.

The Commission's first agenda item enjoins it to make recommendations for achieving the objectives of nuclear disarmament and non-proliferation of nuclear weapons. India remains fully committed to the goal of a nuclear-weapon-free world, to be realized by the complete elimination of nuclear weapons through global, verifiable and non-discriminatory nuclear disarmament. The Final Document of SSODI had accorded the highest priority to the goal of nuclear disarmament. It affirmed that its ultimate objective was the complete elimination of nuclear weapons and outlined concrete steps to achieve that objective. The Millennium Declaration in 2000 reiterated the commitment of the member States of the United Nations to strive for the elimination of the weapons of mass destruction, in particular, nuclear weapons.

For India, nuclear disarmament and nuclear non-proliferation are not mutually exclusive. Instead, they intersect and reinforce each other. The very first resolution of the UN General Assembly, Resolution 1 (I) of 1946, adopted unanimously, sought the elimination of atomic weapons from national armaments and, as indeed, all other major weapons amenable to mass destruction. The present discussion is how to go about this task and also, in the process, deal with contemporary proliferation threats, emanating both from States and non-State actors. Disarmament and non-proliferation, therefore, are not polar opposites but two ends of a single continuum.

Under the Presidency of the Republic of Korea during the first part of its 2006 session, the Conference on Disarmament engaged in a focused debate on the issue of nuclear disarmament. It became evident that all States, both those who possess nuclear weapons as also the non-nuclear-weapon States, remain firmly committed to the goal of nuclear disarmament. A number of issues were identified by member States of CD during the debate for achieving this goal. It is, therefore, opportune that the Commission is going to consider in some detail the ways and means for achieving the objective of nuclear disarmament and nuclear non-proliferation, in order to arrive at a set of recommendations on the subject. The Commission can carry forward discussions on nuclear disarmament and chart a possible path that provides direction for the future work of the Conference. The task of the CD, as the sole multilateral disarmament negotiating forum, is to produce legally

binding agreements and conventions. Although it is currently engaged in structured discussions on the issues on its agenda, it cannot substitute the functions of UNDC, the deliberative organ of the UN disarmament mechanism, which must consider issues relevant to disarmament and make recommendations to the Conference. My delegation shall present India's perspectives on the steps for achieving the twin objectives of nuclear disarmament and the non-proliferation of nuclear weapons in the course of discussions in the Working Group devoted to this issue.

A basic problem afflicting the disarmament institutions and processes is the lack of trust among States. This erosion of trust further begets the lack of willingness for mutual accommodation, making further progress on nuclear disarmament even more difficult. The absence of consensus on disarmament and non-proliferation paragraphs of the 2005 World Summit Outcome underscored the fact that, currently, there are sharp differences among States over the goals, priorities and approaches in the field of disarmament and nonproliferation. These differences cannot be set aside or ignored.

For any breakthrough, all States need to sincerely engage in a dialogue on their approaches to nuclear disarmament and nuclear nonproliferation and understand and accommodate each other's security concerns and threat perceptions. One way to restore this trust would be to secure a reaffirmation of the unequivocal commitment of all nuclear weapon States to the goal of complete elimination of nuclear weapons. The Commission provides all States an opportunity to reaffirm their commitment to nuclear disarmament and nuclear non-proliferation and to outline their positions and priorities, as well as understand the positions and priorities of others.

We are hopeful that renewed consideration of the agenda item "practical confidence building measures in the field of conventional weapons," will be productive this time. In revisiting this issue, addressed during the last three substantive sessions of the Commission, we should strive for a consensus that had eluded the Commission earlier. My delegation considers it useful to build on the deliberations held already in the Commission during its last cycle of work. India fully supports the adoption of confidence building measures, whether bilateral, regional or global, on the basis of arrangements freely arrived at among States of a region. India has initiated, both unilaterally and bilaterally, a number of confidence-building measures in its neighbourhood to built trust and confidence and to ensure greater transparency. We are committed to adopting further measures to prevent misunderstanding and promote a stable environment

of peace and security with the countries in our neighbourhood. In considering this matter in Working Group II, we shall outline our approach on the issue of confidence- building measures in fuller detail.

The United Nations has contributed to the development of an impressive corpus of norms and standards governing international relations, including in the field of arms control and disarmament. The Commission has also played a unique role in this and has many achievements to its credit. However, no system or institution is perfect and there is always room for improvement. Our experience in the First Committee demonstrates that there is scope for better utilization of the resources available. My delegation, therefore, welcomes that besides considering the two agenda items, the Commission will also discuss measures for improving the effectiveness of the methods of its work.

We look forward to working with other delegations for a purposive and productive session.

I thank you, Mr. Chairman.

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548. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the Thematic meeting on the Role of the General Assembly in the Selection of the Secretary-General — Ad hoc Working Group on the Revitalisation of the General Assembly.

New York, April 19, 2006.

Mr. Co-Chair,

We thank both of you for convening these discussions. It is still the season of Easter and we can look forward to the resurrection of the General Assembly. Obstacles that appear big and formidable when an institution is on its knees, disappear when it rises to its feet. In an earlier discussion, there was a reference to the absence of media attention (to the General Assembly). The media is attentive when the General Assembly discusses something important: even before we have begun our discussions today, there is an article in today's Financial Times. This is another indication of how the GA can revitalize itself.

It is important for us to identify the problems and address these. Our point of departure is the actual situation. On the one hand, there is a sense of alienation and disempowerment among the broad majority of Member States, made worse by the Security Council's continual encroachment on the prerogatives of the General Assembly. On the other, is the clear lesson of the Volcker Report on the Oil-for-Food Programme that the Secretary General's lack of authority was not because of any management problem but because the Security Council (specially its permanent members) did not let him have any (incidentally, this has implications for his managerial authority, important in the context of management reform). Both these point to the necessity of a Secretary General who would be independent of such pressures and this can only be if he is elected by the General Assembly not just *de jure* but *de facto*. This would also establish through action the primacy and authority of the General Assembly.

Only then would he truly address the interests of the downtrodden and uphold the sanctity of the Charter. As Albert Einstein said: "Problems cannot be solved by the level of thinking that created them". That is why a new approach is necessary. That is why the views of Security Council as communicated by you are totally inadequate in terms of addressing these problems.

Quite clearly, there is Security Council pressure on the Secretary-General and on the General Assembly. The Secretary-General often has to be a Secretary *vis-à-vis* the Security Council and a General *vis-à-vis* the General Assembly. This has to be reversed. It is, therefore, necessary to ensure that a future Secretary-General would always be a General *vis-à-vis* the Security Council and a Secretary *vis-à-vis* the General Assembly. General Assembly Resolution 11/1 of 1st February, 1946 belongs to the past. Let the dead bury the dead. At that time, it was necessary to straddle the East West divide (as the distinguished Permanent Representative of Mongolia also argued) and the mode of selection facilitated this. Today, it is necessary to straddle the North South divide and the current mode of selection certainly does not facilitate this. What we are *de facto* doing is forgetting the objective instead of changing the selection process.

There is an obvious need for amending and improving upon the selection procedure of the Secretary-General to bring it in line with current realities, which will allow the organization to better respond to the challenges that it faces. In contrast to the necessity of a new Secretary-General responsive to the aspirations of the broader UN membership, in particular

developing countries, and one who comes to office backed by the legitimacy of a wider support base, the current arrangements are cloaked in secrecy and devoid of formal procedures, which is a great disservice to the principles of transparency and democracy. Who the candidates are is often as much of a mystery as how they are considered, a subject of intrigue and much speculation by the media. This process works to keep many qualified candidates - from getting due consideration. This needs to change.

The distinguished Permanent Representative of Canada said that the UN Security Council proposes and the General Assembly disposes, echoing the proverb that Man proposes and God disposes; this is only on the surface: in reality, the General Assembly proposes and the Security Council, godlike, disposes. We need to shift the focus from the Permanent Members of the Security Council to the Permanent Members of the General Assembly, from the P 5 to the P 191.

Incidentally, where the P 5 played a role we have the PBC and where the P 191 played a role we have the HRC. The difference is palpable and does not need to be laboured. Such a process (inclusive, transparent and General Assembly-driven) would make Article 100 a reality. Abstract de jure approval can be done by a rubber stamp. A real de facto selection can only be done by a truly empowered body. The UN Security Council may claim to be on the side of the angels. We can agree so long as we understand the angels to be fallen angels.

In the process of UN reforms, the difficulties in management reforms or mandate review or budget, should be placed in the context of the General Assembly whose concrete actions, such as that on the establishment of the Human Rights Council, demonstrate its movement towards a revitalized status and the importance of transparency. The time is, therefore, ripe for a greater de facto and not just abstract de jure General Assembly involvement in the selection of the Secretary-General.

The selection process is far too important to be left entirely to the Security Council. The Secretary-General's election should not be limited to merely "consulting closely with other Security Council members to reach agreement on a candidate" followed by approval by acclamation by the UNGA. At the same time, it should not be allowed to become a divisive issue between the two bodies. The need for the General Assembly to address this issue arises from the fundamental purposes of Charter – to address peace and security as well as development. A predominant Security Council role during the selection process neither provides legitimacy of

the wider membership nor the crucial ownership in addressing development issues. Without addressing the development problems besetting the vast majority of UN membership, security in its full sense cannot be achieved either. It is thus imperative to address both development and peace and security in a balanced and self-sustaining manner. The practice of the General Assembly accepting the Security Council's recommendation and appointing the Secretary-General by acclamation - has to be seen against the legal requirement under Article 97 of the UN Charter, which recognizes that "The Secretary-General shall be appointed by the General Assembly upon the recommendation of the Security Council". After all, the General Assembly adopted resolution 51/241 on 22 August 1997, one of the most important for the revitalisation of the General Assembly through action on a specific issue of special political importance and some urgency. Paras 56, 57 and 60 of this Resolution are worth recalling: "56- the process of selection of the Secretary General shall be made more transparent"; "57- The General Assembly shall make full use of the power of appointment enshrined in the Charter in the process of the appointment of the Secretary General and the agenda item entitled "The Appointment of the Secretary General of the United Nations": "60 – Without prejudice to the prerogatives of the Security Council, the President of the General Assembly may consult with Member States to identify potential candidates endorsed by Member States and, upon informing all Member States of the results, may forward those results to the Security Council".

No progress has been registered in the role of the General Assembly in the selection process since the adoption of resolution 51/241 almost a decade ago, because, so far, no concrete step was taken, especially the amendment of Resolution 11(1) This working group should, therefore, consider amending resolution 11(1) of 1946 for consideration by the General Assembly to improve the selection process of the next Secretary-General. This is the key to immediate action; the other aspects are secondary.

The amendments to resolution should propose that "it would be desirable for the Security Council to proffer a panel of at least three candidates for the consideration of the General Assembly." It is not for the General Assembly to send any names to the Security Council; it is for the Security Council to send a panel of names to the General Assembly which is the deciding authority, as clearly mandated by the UN Charter. The role of the General Assembly President is clearly defined in paragraph 60 of resolution 51/241. He could conduct consultations with regional groups on the panel of names to allow for a consensus to emerge around one

candidate or at least a clear majority to emerge around a candidate. There could also be opportunities for the candidates themselves to meet members.

With great respect to my distinguished colleague from Canada who has done much to highlight this issue, I must respectfully but very firmly and fundamentally disagree with him. If we follow his prescription, we would not revitalize the General Assembly or achieve our objective of a quick change in making the selection process inclusive and transparent leading to an optimal choice of candidate: we would dissipate our energies on long-term matters that cannot be brought to a conclusion quickly such as the term of office, the setting up of a search committee and the like. We would thereby lose the interest and momentum available in the year of reform. Let me emphasize that we have no problem at all with these ideas; our central problem is with not amending 11(1) which clearly shows the net effect and direction of the Canadian proposal. It is important to concentrate on the selection procedure and limited criteria through amending 11(1) which can be brought to a conclusion quickly. The Canadian proposal in its totality will give us an impression of revitalization without real revitalization, a substitute for the real thing, engage us in much ado about nothing now, in debate on what cannot be implemented now. In short, while the Canadian proposal is undoubtedly fruitful for the future, it is a blind alley for the present. My distinguished friend said that the process has not begun. It has not because 11(1) was not amended.

It would be appropriate that a new Secretary General be sensitive and responsive to the development imperatives of the developing world. The existing practice of regional rotation could be incorporated among these principles, which would contribute in some measure to reducing the arbitrariness of the selection process. Resolution 51/241 of 22nd August, 1997 in para 59 clearly refers to "due regard to regional rotation and gender equality". In so far as the timing is concerned, the General Assembly could rapidly adopt these measures during its 60th session and well in time for the selection of the new Secretary-General towards the end of the year.

What is proposed is concrete but extremely modest. The contradictions of the SG's role are Charter-based but have been made worse by the P 5. How can the SG be an honest broker if he is sometimes broken into being the P-5's official executioner? While his independence may be strengthened through a single term it can only be consolidated through direct and actual election by the General Assembly. Only then would he have the moral courage to resist pressures. Only then would we

have an individual who combines an inner sense of justice with sensitivity to social injustice; individual creativity with sensitivity to the developmental aspirations of the vast majority of countries; individual diplomatic and intellectual skill with respect for cultural diversity; an ability to communicate with a greater ability to listen; originality with the common touch and a sense of the common purpose.

I thank you, Sir.

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549. Statement by Deputy Permanent Representative, Ambassador Ajai Malhotra, at the Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and other matters related to the Security Council.

New York, April 20, 2006

Mr. Chairman,

We are pleased to see you chair this meeting and would like to assure you of our full support and cooperation in carrying out your responsibilities. Kindly accept our congratulations on the convening of this first meeting of the Open-Ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and Other Matters related to the Security Council.

This first meeting is to focus on organisational matters and will enable a general exchange of views on the work of the Open-Ended Working Group. The Working Group has played an important role in the past in bringing about some reforms in the UN Security Council.

Yet much more remain to be done. In statements at the 60th UN General Assembly and earlier, India has repeatedly highlighted the imperative to comprehensively reform the UN Security Council, both in terms of its membership and its working methods. In particular, we have pointed out that while membership of the UN has increased nearly four-fold since its inception sixty years ago, the size and composition of the Security Council, particularly of its permanent membership, has remained more or less intact. A comprehensive reform of the UN Security Council is

overdue and is essential in order to bring it in line with contemporary realities and strengthen the UN as a whole. It is also a matter of concern that developing countries are grossly under-represented in the Security Council, even though most decisions taken by the Council directly affect them. Any expansion and restructuring of the Security Council must include developing countries, both as permanent members and in the non-permanent category. Inclusion of permanent members from Africa, Asia, Latin America and the Caribbean, would optimise the Security Council decision making that is so essential to address the concerns of the developing countries and help secure the adoption of new, fair and transparent working methods.

The United Nations Charter has delineated clear lines of responsibility between the General Assembly and the Security Council. Articles 11, 12, 15, 24 and 25 are particularly relevant in this regard. Additionally, various General Assembly resolutions have clarified this relationship, including Resolution 377 (V) of 3 November 1950 (Uniting for Peace) and Resolution 58/126 of 19 December 2003. In discharging its responsibilities, it is important that the Security Council respond to the mandate embodied in the Charter and to the discussions in the General Assembly. Faithful observance of these norms is critical for securing and reinforcing a healthy constitutional relationship between the General Assembly and the Security Council.

Mr. Chairman, in many other ways too the working of the Security Council leaves much to be desired. Thus, for example, we have observed that the consultations with and briefing of nonmembers by the Security Council has tended to be arbitrary and adhoc. Certainly, some Council Presidents do attach importance to this process. However, many others have been indifferent. In several instances, despite scheduling of briefings for the general membership, these either did not take place or were perfunctorily carried out. In fact, briefings given to the media are often far more comprehensive than those given to non-members of the Security Council!

Mr. Chairman, in order to address this unsatisfactory state of affairs, the G-4 countries had introduced on 6 July 2005 a practical and comprehensive resolution that addressed the issue of Security Council reforms in its entirety. That draft resolution received very wide support amongst UNGA members. It has been re-tabled by Brazil, Germany and India on 5 January 2006 as document L.46. No other model for reform and expansion of the UN Security Council has met with a similarly high level of

endorsement.

Our aim behind re-tabling the G-4 draft was to further explore the potential of joining hands with all Member States supporting Security Council reform. In that context, we welcome a discussion of the L.46 draft resolution by all Member States genuinely interested in such reform. We will join in such discussions with an open mind with a view to further broadening its support base. We hope to now see positive dynamics instilled into the process of Security Council reform.

We have also been encouraged by the efforts of other Member States in the same direction. In fact, both the initiatives undertaken by others in tabling draft resolutions on this issue share to a large extent some of the central reform aims of the G-4 draft resolution. Thus, we have been enthused by the tabling of the draft resolution by the African Union last December. Its contents we support.

We have also noted with interest the tabling last month by the S-5 of the draft resolution on Working Methods of the Security Council.

While well intentioned, the S-5 proposal is neither practical nor comprehensive. It is exhortatory in nature and its operative paragraphs invite the Security Council to consider measures and report to the General Assembly. Unfortunately, if past precedent is any guide, the P-5 are unlikely to respond positively to such an invitation. Still, despite its evident deficiencies, we are willing to consider the S-5 draft in the hope that the exercise of doing so may simultaneously stimulate and open the way to comprehensive Security Council reform.

In conclusion, Mr. Chairman, we look forward to a constructive exchange of views in the Open Ended Working Group. Without comprehensive Security Council reform, the overall reform of the UN will only be piecemeal, unsatisfactory, and incomplete.

Thank you, Mr. Chairman.

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550. Statement by Acting Permanent Representative at the UN Ambassador Ajai Malhotra in the General Assembly debate on the UN Committee on Information.

New York, April 25, 2006.

Mr. Chairman,

At the outset let me express my deep satisfaction upon having you preside once again over the deliberations of the Committee on Information. You can be assured of my delegation's full support as you guide our work. I would also like to join others in conveying our appreciation to Under-Secretary-General Shashi Tharoor for his comprehensive and skilful presentation of the 'balance sheet' of the performance of the Department of Public Information [DPI] over the past year. His leadership has contributed to a transformed DPI, with a new focus, direction and purpose. I would also like to associate my delegation with the statement made by the distinguished representative of South Africa, as the G-77 Chairman.

The United Nations has recently been receiving a concentrated dose of media attention as a result of the 2005 World Summit and its follow up. Despite its image being affected by scandal-driven media coverage, the UN remains a pivotal global institution. The UN presently stands at the threshold of a new era, with a variety of opportunities and threats on its horizon. The DPI has a pivotal role to play at this sensitive stage, since it is the conduit for the flow of information between the UN and the peoples of the world. We welcome the DPI's new strategic approach that combines realignment of resources and achieving greater effectiveness in its communications work through targeted delivery, enhanced use of information and communication technology, and the building of new partnerships with civil society organizations. This is particularly so, since the DPI will per force have to meet its goals with limited resources while functioning in an often unhelpful environment.

Looking ahead, the DPI must further intensify its efforts to meet the concerns and special needs of the developing countries in the field of information and communications technology. The 'digital divide' remains vast; huge segments of populations in developing countries continue to be deprived of the benefits of the information and IT revolution. Traditional means of communication, including radio and print, retain tremendous relevance for disseminating the UN message in developing countries. In this context, we welcome the recent initiatives undertaken by United Nations Radio through integration of new technologies, which has broadened the

scope of its broadcasts and expanded its outreach. DPI must continue to expand its partnerships with local and national broadcasters, especially in the developing world.

Core economic development and social issues remain the overriding priorities of developing countries. We welcome DPI's focus over the past year on priority issues such as HIV/AIDS, Human Rights, New Partnership for Africa's Development, the Millennium Development Goals, Palestine, etc. We support DPI in its efforts to do even more to highlight such issues and the work of the UN in addressing them.

We also favour a strong relationship between DPI and the Department of Peacekeeping Operations [DPKO]. We welcome the two major guidance projects for the public information components of peacekeeping missions that have been recently completed. We would also encourage DPI and DPKO to devise and implement a comprehensive communication strategy that highlights success stories of peacekeeping and the role of peacekeepers in their areas of operation. An example would be to bring out the humanitarian activities being undertaken by a peacekeeping mission such as the UN Mission in Ethiopia and Eritrea [UNMEE]. Using resources voluntarily provided by Troop Contributing Countries such as Jordan, Kenya and India, UNMEE has been successfully implementing a focussed 'Winning of Hearts' programme by which it has sought to apply a healing touch via undertaking soil conservation and water harvesting activities, supply of drinking water and medicines to the locals, holding of nearly 500 free medical camps and 300 free veterinary camps, organising free vocational training in auto repair, carpentry, and basic handling of computers for the local population, improvement of tracks, clearance of war debris, construction of sports fields, restoration of schools and hospitals, promotion of mines awareness, distribution of school bags and books, etc. Such initiatives could be beneficially highlighted by the DPI, both locally and internationally. This is one of those stories that the world needs to hear more about via the DPI's outreach initiative!

The United Nations Information Centres [UNICs] are crucial in enhancing the public image of the UN and in disseminating its message, especially in developing countries. If the DPI is the UN's bullhorn, then it is the UNIC mechanism that gives its voice a local resonance. Adequate budgetary resources must be reassigned to secure effective functioning of UNICs in developing countries. We have noted that rationalisation of the network of UNICs will continue and would encourage DPI to consult closely with host countries; other countries served by these Information Centres, as well as the concerned region, in its efforts at further improvisation and

innovation. Development of websites in local languages must also remain a primary DPI concern as it seeks to provide up-to-date information in the field.

We commend the DPI on its redesigning the UN website and welcome the new Press Release Webpage and daily Media Alert put out by it. The UN website's continued development is essential for user satisfaction. We support DPI's plans to modernize the website architecture so as to provide even faster access to features that users actually seek out. It is good that the past three years have witnessed a sharp rise in subscribers to the UN News Centre's e-mail service and in readership of the print and online editions of the UN Chronicle. The possibility of subscribing to the UN News Centre's e-mail service from the UN home page itself, may be worth considering.

Intermediaries like the media, NGOs, and educational institutions, help amplify and spread the UN's message to target audiences. DPI outreach services, in particular its educational outreach, contribute to promoting awareness of the role and work of the UN on priority issues. We welcome the Global Teaching and Learning project and accompanying Cyber School Bus website, by which DPI has promoted innovative approaches to learning about the UN. We also favour DPI efforts to strengthen its focal point role for interaction with civil society and commend its efforts to improve the quality of information available to NGOs.

DPI will have to constantly appraise and adjust its activities in a timely manner to fast changing international challenges. Accordingly, assessing and reassessing the effectiveness of its actions must underpin its efforts and a systematic "culture of evaluation" guide its work. Training of staff to constantly review the impact of their work is a natural follow-up to this emphasis on evaluation. It is good that DPI is constantly exploring new ideas in this regard.

The DPI's challenge is not simply to make the UN's voice heard loud and clear, but to simultaneously deliver a message that is easily understood, appreciated and assimilated. In doing so, it will need to constantly improvise, modernise and re-invent, seeking to tell the UN story in an effective and efficient manner. I would like to convey our support to the DPI team in tackling the formidable tasks before it.

Thank you, Mr. Chairman.

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551. Statement by Joint Secretary (Disarmament and International Security Affairs) in the Ministry of External Affairs Hamid Ali Rao at the UN Conference to review progress made in the Implementation of the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its aspects.

New York, June 27, 2006.

Mr. President,

Allow me to congratulate you on your assumption of the post of the President of the Conference and assure you of our full cooperation. We would like to commend your thorough preparatory work and hope that under your able guidance the Conference will have a positive outcome.

Mr. President,

2. The international community has long recognized that the illicit trade in small arms and light weapons (SALW) poses a grave danger to the security of States. In the hands of terrorists, insurgents and criminals, such weapons have disrupted political and social stability, derailed pluralistic and democratic political processes and hampered economic growth and development. They have fueled international terrorism and provided sustenance to organized crime, including trafficking in drugs. In many States, easy availability of small arms to rival factions and insurgent groups has protracted civil wars resulting in enormous loss of lives and livelihood.

3. India has been a victim of transnational terrorism and other organized crimes, sustained by illicit trade in small arms. Continuing seizures of a large number of small arms from various terrorist groups indicate that the channels for their supply continue to remain active. We have taken measures to arrest such illicit flows and ensured that the weapons confiscated by security forces do not find their way back into the illicit trade channels or fall into the hands of unscrupulous or criminal elements. We see the international efforts to prevent, combat and eradicate the illicit trade in small arms as an integral part of the global fight against terrorism. We believe that success in eliminating the illicit trade in small arms would effectively contribute to the elimination of the scourge of terrorism.

4. The first UN Conference on Small Arms in 2001 was a reflection of the importance attached to this issue by the international community.

The Programme of Action, adopted by consensus, manifests the international community's recognition of the dangers posed by the illicit trade in small arms to the international peace and security. It embodies the resolve of States to undertake various measures at the national, regional and global levels to prevent, combat and eradicate the illicit trade in small arms. Even though the Programme of Action is not a perfect document that meets all our expectations, it represents the political consensus among the member States to prevent, combat and eradicate the illicit trade in small arms.

5. India, therefore, accords high priority to full implementation of the Programme of Action as a means to combat transnational terrorism and other organized crime. Though there has been some progress in the implementation of the Programme of Action, much remains to be done. States have undertaken various measures and initiatives at the national, as well as regional and global levels. On the basis of the recommendations made by the Group of Governmental Experts, which India had the honour to chair, the Open-Ended Working Group negotiated an international instrument to enable States to identify and trace in a timely and reliable manner illicit small arms and light weapons. This was a significant achievement, given the current impasse in various other disarmament fora.

6. Even though India, like many other States, would have preferred a legally binding Instrument and would have liked it to cover ammunitions within its scope, we believe that it would make a vital contribution to preventing, combating and eradicating the illicit trade in small arms. India has already begun its implementation and the concerned establishments have taken steps to conform the markings on weapons produced by them to the requirements of the Instrument.

Mr. President,

7. The Review Conference provides the member States a valuable opportunity to reaffirm their commitment to the Programme of Action. It is important that we preserve the consensus, arrived at in 2001 and carefully nurtured since. Given the different situations and capacities of States and regions any exercise to further elaborate the provisions of the Programme may not be conducive to preserving this consensus. The Programme is flexible to allow any State or region to adopt measures beyond its existing provisions. These efforts could be encouraged and would, in time, allow states to learn and implement further measures based on each others' experience. In our deliberations, our focus should remain on a

comprehensive assessment of the implementation issues so as to identify gaps and the further steps that States need to be take to fulfill their commitments.

8. We believe that effective national measures for exercising full control over the export, import, transit and re-transfer of small arms are a sine qua non for preventing, combating and eradicating their illicit trade. The Programme of Action obliges States to assess applications for export authorizations according to strict national regulations and procedures that cover all small arms and light weapons and are consistent with the existing responsibilities of State under relevant international law, taking into account in particular the risk of diversion of these weapons in the illegal trade. It requires States to put in place and implement adequate laws, regulations and administrative procedures to ensure the effective control over the export and transit of small arms, including the use of authenticated end-user certificates and effective legal and enforcement measures. These obligations need no elaboration but effective implementation. These measures, together with adequate marking on all small arms and tracing of illicit small arms, in a timely and reliable manner, coupled with effective control over illicit brokering, provide the basic framework for preventing, combating and eradicating the illicit trade in small arms.

9. We are satisfied that the broad-based consultations held by the Department of Disarmament Affairs has led to a consensus among the member States on setting up a Group of Governmental Experts to consider further steps to enhance international cooperation in preventing, combating and eradicating illicit brokering in small arms. We look forward to participate in the work of the Group and hope that it would enable full deliberations on various aspects of the problem of illicit brokering and reach consensus on a set of recommendations.

10. While the primary responsibility for its implementation falls on States, the Programme of Action recognizes the need for close international cooperation to prevent, combat and eradicate the illicit trade in small arms. The member States have committed to cooperate and to ensure coordination, complementarity and synergy in their efforts to deal with the illicit trade in small arms at the global, regional, sub-regional and national levels. The Non-Aligned Movement has presented a proposal on further measures to ensure adequate international assistance, enabling the States requiring assistance to take measures to implement their obligations under

the Programme. We would like the Review Conference to focus its deliberations on international assistance and cooperation.

11. India has long recognized that close international cooperation is required to prevent, combat and eradicate the illicit trade in small arms. We believe that the efforts to effectively implement the Programme of Action are an integral part of the international efforts to combat terrorism. India has taken bilateral and regional initiatives to put in place arrangements for enhanced cooperation in fighting terrorism and organized crime, as a corollary to the efforts to prevent, combat and eradicate the illicit trade in small arms.

12. Regional initiatives have played an instrumental role in implementation of the Programme of Action. India has been involved in various regional initiatives. We would like to compliment the other States that have been proactively involved in leading such initiatives and place on record our appreciation for the role that the inter-governmental organizations and various NGOs have played in promoting implementation of the Programme of Action.

Mr. President,

13. As we focus our deliberations on reaching consensus on a final outcome of this Review Conference, we need to bear in mind that the process of reaching consensus on the Programme of Action was protracted and required compromises by all member States. We would do well to remember that and temper our ambitions, taking into account the concerns and priorities of all member States. Any hasty effort to elaborate or augment various existing obligations under the Programme may erode this consensus and disturb the delicate balance. We should continue to focus on the key issue of the illicit trade in small arms, which is also the main concern of the Programme of Action, and desist from expanding it to cover the 'licit trade' among States.

14. As regards our expectations from this Conference, we would like it to reaffirm the obligations stipulated in Programme of Action and to renew the commitment of States to implement them. The Conference should stress that the primary responsibility for preventing, combating and eradicating the illicit trade in small arms falls on States. It should indicate the way ahead on strengthening international cooperation and assistance for enabling States to implement the Programme. It should encourage the inter-governmental organizations and NGOs to continue to contribute to

the efforts of States in implementing the Programme. It also needs to reach an agreement on the future meetings of States to assess the implementation of the Programme. We hope that our non-paper, submitted together with South Africa and the Netherlands, will contribute to deliberations on this issue.

15. A vast majority of States have emphasized the need to deny terrorists and groups or individuals engaged in organized criminal activities access to small arms. The Review Conference, we believe, should address the issue of supply of small arms to terrorists and other non-state actors. International community has accepted in the past the principle of non-transfer to non-State actors. Under the Amended Protocol II to the CCW Convention, High Contracting Parties have undertaken "not to transfer any mine to any recipient other than a State or a State agency authorized to receive such transfers". Further, paragraph 6 (e) of the international Instrument on marking and tracing of SALW provides that, for the purposes of that instrument, small arms and light weapons are illicit if "they are transferred without a license or authorization by a competent authority". We believe that all States should, as part of their efforts to combat global terrorism, take all necessary measures to deny terrorists access to small arms. We look forward to working with the member States to reach a common understanding on this issue.

Thank you Mr. President.

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552. Statement of Counsellor at the Permanent Mission at the UN Dr. Neeru Chadha at Informal Consultations of the Plenary on Counter Terrorism Strategy.

New York, June 30, 2006.

Mr. Chairman,

We would like to thank the two co-chairs for preparing this text. It is a good effort to address many structural and drafting suggestions made by several delegations during the last informal consultations.

The new text is presented in a more coherent fashion and is considerably compressed.

Mr. Chairman, during the last informal consultations, we had emphasized that one aim of this exercise has to be to strengthen the international community's capacity to challenge and defeat terrorism. We had agreed that the text could focus on practical measures of cooperation among states for better and more effective implementation of international obligations under various instruments, especially for preventing acts of terrorism. We had stressed that we would favour a focused and result oriented strategy that to the extent possible steers clear from controversial elements and is based on elements of convergence. This was to avoid divisive debates which informed the sessions of the Ad Hoc Committee during negotiations of the draft comprehensive convention on international terrorism.

We supported the present process while continuing to believe that the comprehensive convention would have provided the legal framework upon which a counter-terrorism strategy could have been based. What is regrettable is that agreement on a comprehensive convention was within easy reach. Unfortunately, we failed to exercise the political will to close the gap that would endow the international community with the legal basis upon which the global struggle against terrorism could be conducted. Notwithstanding the setback of not meeting the timeline set by the World Summit Outcome Document for concluding a comprehensive convention, we continue to believe agreement on the draft convention is attainable.

In our current deliberations, Mr. Chairman, we have to understand that a legal document, which the comprehensive convention on counter-terrorism would have represented, cannot be substituted by a political document. Nor can an international conference facilitate understanding of definition of terrorism in the absence of a convention that sought to provide one. We must, therefore, perforce leave out any controversial elements, which while desirable in a legal context, would be unattainable in a political document.

This brings me to the last point I wish to make. While some delegations have pointed to the absence of one or the other substantive element that in their view should be part of a UN strategy on counter-terrorism, there is the other side of the coin.

Accommodating the views of 192 Member States on an issue that afflicts all regions and most countries of the world cannot be an easy task at the best of times. We agree with many opinions voiced in this forum in

different ways that the revised draft proposal is bland and largely bereft of substantive content. At the same time, we understand the compulsions that led to the drafting of such a document, that is, the compulsions of compromise. If this draft were to additionally seek to compensate for the absence of a legal document, the result would be either no agreement or the acceptance of a minimum common denominator. And the latter is what the current revised draft on counter-terrorism strategy represents. A compromise between conflicting ideas, most of which would have to be resolved within a legal context.

Mr. Chairman,

My delegation would have liked to see the United Nations convey a far stronger message on counter-terrorism. We would have preferred a strategy which sends a strong signal to errorists that their actions would not be tolerated irrespective of the motivations behind them. A strategy that unites the international community in its global fight against terrorism through practical measures that facilitate cooperation by way of extradition, prosecution and information flows. A strategy that signals the will of the international community to no longer tolerate the actions of the sponsors of terrorism or of those who willfully fail to prevent terrorists from utilising their territories for moral or material shelter. A strategy that provides comfort and support to the victims of terrorism.

In other words, Mr. Co-Chairs, most of us here desire a political document that meets the expectations of the vast majority of people who look to the United Nations for solutions to the global threats of our times. Regrettably, we cannot achieve what is desirable. But we must stop expending further time and resources by dragging on the process through legal proposals that cannot be acceptable to the broad membership under the political framework in which we are currently engaged.

Thank you, Mr. Chairman.

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553. Remarks by Permanent Representative at the UN Ambassador Nirupam Sen at the Plenary meeting under Agenda Item 117 and 120 “On the Question of Equitable Representation on and Increase in the Membership of the Security Council,” and ‘Follow-up to the Outcome of the Millennium Summit.’

New York, July 21, 2006.

Mr. President,

It is a happy coincidence that you are chairing this meeting as you were on the day I spoke during the last such debate. As you had wanted the debate has been rich and constructive. I do not intend to repeat what has already been stated or even the old arguments which would only exhaust the listeners without exhausting the subject. Nor do I intend to fight old battles all over again. I shall therefore address the issue of Security Council reform from the perspective of the current conjuncture, especially the lessons of the general reform process, the problems of the Security Council in this context and, flowing from this, the way ahead.

The Security Council has not been able to address effectively the problems of peace and security, especially the Middle East problems. These are arguably worse than ever before. It has to perform its Charter role and not spend time on roles that the Charter does not mandate, such as bringing issues on its agenda that have nothing to do with peace and security. As the Bible says, and this is consonant with the Charter, instead of looking at the mote in their neighbour’s eye, they should look at the beam in their own. In the United Nations, the North South divide is sharper, the division between the P-5 and the rest greater and the imbalance between the General Assembly and the Security Council more profound. This coincides with the assessment of Parliamentarians outside. The Report of the High level Parliamentary Delegation that visited New York on June 26 and 27, circulated by the Inter Parliamentary Union on July 10 states that, “In the eyes of the world and within the United Nations itself, the Security Council has come to assume more power vis-à-vis the General Assembly than is warranted under the Charter” and concludes, “As long as the Security Council is not changed, it will be hard for the UN to truly change”. It is no coincidence that the revitalization of the General Assembly and the reform of the Security Council are both being frustrated.

Some members of the Security Council are the last followers of Francis Fukuyama and are carrying his flag even after he has abandoned it. He has disavowed the "End of History" in his subsequent book. For some of the P-5, history ended in 1945. They oppose any dispersal of quotas in IMF; more than one candidate being recommended by the Security Council to the General Assembly for the post of Secretary General; addition of six new permanent members. At the same time, they insisted on permanent membership for the P-5 in the Peacebuilding Commission and desired it greatly in the Human Rights Council. For them, history stopped in 1945. All subsequent changes: the vast expansion in membership, the anti-colonial and anti-apartheid triumphs, freedom, equality, have not happened and should not be taken into account. Multilateralism means nothing; plurilateralism is the order of the day. The majority may not like it; so much the worse for the majority.

One of my friends in the debate yesterday talked of the importance of ownership. We entirely agree. But we cannot confuse the substance with the mere machinery or method. Ownership is concerned with the substance of power to decide our own destinies, in short the limitation on power, especially arbitrary power and its dispersal. It has nothing whatever to do with unanimity or consensus, which is a matter of mere machinery or method. We imposed last December the Spending Cap by consensus. Did we have a sense of ownership of the Spending Cap? Most regarded it as an unfortunate turnip ghost from an aborted Halloween party, a scarecrow that fortunately failed to scare and had to be given a decent burial. The General Assembly resolution on setting up the Peace-building Commission was also adopted by consensus. Did we have a sense of ownership which ensured equitable geographical representation and rapid operationalisation of the Peace-building Commission?

We know the history of Peace-building Commission. Taking refuge in technical legality the Security Council, in terms of the spirit of the matter, illegally went against the will of the General Assembly in inserting the definite article "the" in the notorious Resolution 1646 on the P-5 being permanent members of the Commission. I am reminded of Byron's lines "How strange the mind that very fiery particle/Should allow itself to be snuffed out by an article". They instituted dualism by making the Commission subsidiary to the Security Council and by ensuring that, only with their approval, would any country on their agenda approach the Commission for assistance. All this clearly undermines from the beginning the Commission's capacity for optimal advice and its functioning.

Another member state from the same group said yesterday that because there are five permanent members and resulting problems, it does not justify there being any more permanent members. Firstly, a limitation on power and its dispersal which would give members a real sense of ownership would come from new permanent members elected and held accountable to the General Assembly through review of their performance. Secondly is the question of equity. I recall vividly that the same member, deploring what happened at the birth of the Peace-building Commission based himself on these same arguments: "Permanent members will be permanently represented. Those who put their sons and daughters in harm's way as peacekeepers deserve equal treatment". I hope they would apply the same logic to the reform of the UN Security Council.

The conclusion is clear and I cannot do better than let the Secretary General draw it by quoting from his press conference in Geneva on June 22: "I believe very strongly in the need for Security Council reform and I have said time and time again that no reform of the UN will be complete without Security Council reform.... They should pursue Security Council reform because it is part of the reasons why we have tensions in the Organisation today. Because quite a lot of members feel that our governance structure is anachronistic and we cannot continue to have a situation where the power base is perceived to be controlled by a limited number of five Member States..... Even when you talk of management reform, it becomes a question of power struggle. I mean, people see it in terms of power – which bloc is gaining, which is going to lose. And of course, this perception of a power struggle was not helped by the attitude of the Permanent Five, because when we set up the Peacebuilding Commission, they insisted that they should be reserved five seats, and they got them. And of course, when we started talking about the Human Rights Council, a similar demand was made, the membership reacted and they pulled back". A member state yesterday said that UN Security Council reform should not be a power game; the Secretary General in his just quoted statement has demonstrated that keeping it unreformed is a power game. Our experience of the general reform process thus confirms that several dimensions of reform have been distorted or vitiated and the reform process has demonstrably suffered from an absence of UN Security Council reform.

In an organism there should be proper circulation of the blood. If enough blood does not flow through an organ, it eventually atrophies. This may be happening to the General Assembly. Hence, the attempt to revitalize it. This is the whole meaning of balance. So far, regrettably, this attempt

has not been very successful. Therefore, the only way to restore balance, to prevent and roll back encroachment is the expansion of both the permanent and nonpermanent categories and the improvement of the working methods of the Security Council. As we have seen in the case of procurement, some aspects of peacekeeping and thematic debates, the nonpermanent members are not able to roll back encroachment. The continuity and institutional memory inherent in permanent membership would give new permanent members the strength to resist such usurpatory proposals. Their election and a stringent review clause would ensure that they remain accountable to the General Assembly and check any encroachment on its prerogatives. Therefore an interim solution is not at all admissible because it would not give the necessary permanence and strength to do so. Decision making would then improve. We agree with the speaker before last that the Council should be effective and efficient. A larger permanent membership would prevent decisions under bilateral pressure or other means of coercion. The Council then would not encroach. This is real efficiency and not the political Darwinism that some call efficiency. The original governance and flexibility proposals in Management Reform that were rejected by the Fifth Committee in May would have fashioned the General Assembly in the image of the Security Council – dominance and decision making by a charmed circle. This would have been the greatest encroachment of all, not just on the GA's domain but on its very essence.

The dominance of the Security Council would have been extended from the Secretariat to the General Assembly by reducing the latter to irrelevance. The Security Council wants to give the General Assembly only one choice which may be summed up in the words of the American humorist Woody Allen – “You are at a fork in the road: one road leads to despair and helplessness, the other to total extinction: I hope you will have the wisdom to make the right choice”. The best and most basic working method is that which can confine the Security Council to its Charter role – no encroachment and no legislative power. This cannot be achieved through traditional reform of working methods alone but only in conjunction with the expansion of the permanent and non permanent membership.

The S-5 have just circulated on July 14, a significant date, an explanatory note on their resolution. I am reminded again of Byron “They are explaining metaphysics to the nation/I wish they would explain their explanation”. The note and some speakers say that only a few members are affected by enlargement and all by working methods. The problem is

that there would be no enduring new working methods without enlargement and in this sense everybody is affected by enlargement, quite apart from the fact that without enlargement of permanent membership, there would be no solution to the problems of Security Council encroachment and law making, not to speak of its coercive diplomacy. Also, without new permanent members committed to new working methods, these would not endure as we have seen in the case of the quality of Security Council Annual Reports. Yesterday, a member state rightly referred to Resolution 267(III) of 14 April 1949. The member state correctly said that the working methods produced by the Security Council are totally inadequate but overlooked the much more important point that without new permanent members committed to these methods, these working methods would not be there and would not endure. Let us look at this Resolution. It was passed by the General Assembly on the Report of the Special Political Committee on Working Methods: it speaks of conferring functions on the Security Council in a manner that would “to the greatest extent feasible exclude the application of the Rule of Unanimity of permanent members” (i.e. limitations on the use of veto); that the General Assembly could “make a recommendation on a dispute or situation in respect of which the Security Council is exercising its functions”; “to grant access to the records of private meetings of the Security Council to representatives of other members of UN”; to ensure that TCCs “participate in the decisions (decisions and not debates) of the Security Council concerning the employment of contingents of their armed forces”. This is far more radical than anything in the S-5 Resolution. But has any of this been implemented since 1949? The G-4 text on Articles 31 and 32 and Security Council Resolution 1353 goes as far or even further than the S-5 text. But clearly there are many commonalities and therefore considerable scope for consultations to facilitate a common understanding.

The distinguished Permanent Representative of Singapore, yesterday succinctly and superbly demonstrated that semi permanent seats are fatal for the Federation of Small States which he chairs. More than eighty countries, almost half the membership, have never served on the Security Council; a small state cannot hope to serve more often than once in forty years. The G-4 Resolution would increase their chances by removing some major countries from the competition and also, more importantly, ensure the participation of states, including small states in the day to day work of the Security Council. Both our resolution and the

S-5 resolution therefore speak of participation by non members of the Security Council in its subsidiary bodies. But only new permanent members committed to this can ensure that this happens. Hence enlargement of permanent and non permanent membership and reform of working methods have to go together. To separate these two is to divide and dilute the substance.

My time has come to a close but before I conclude let me say that perhaps the Security Council's greatest encroachment is in the sphere of law making. Though in the Tadic case the ICTY justified its setting up in terms of Article 29 on the creation of subsidiary bodies, its judgement is untenable because the Charter has not given the Security Council any judicial functions and therefore it cannot, under Article 29, give a subsidiary body functions it does not possess. My Latin is not as good as that of my British colleague sitting directly below but the tribunal ignored the basic legal principle *nemo dat quod non habet* (you can't give what you don't have). To have real ownership, to prevent encroachment, to limit arbitrary power, to break the charmed circle, to restore balance in decision making, to end law making and norm setting, there is no alternative to expanding the permanent membership of the Security Council, besides expanding the non-permanent membership and improving the working methods.

Many speakers have called for consultations and dialogue. There are many areas of commonality and we welcome this. This should be done in steps. First there should be a dialogue between the supporters of the three proposals that are on the table (those of the AU, the G-4 and the S-5) and which are mutually compatible. We therefore call for an intensive process of consultations between them to arrive at a common understanding. Thereafter the process can extend to other member states.

I thank you.

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554. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on the Situation in the Middle East at the Security Council.

New York, July 21, 2006.

Mr. President,

We thank you for scheduling this meeting. Since this is the first time that I am taking the floor during your Presidency, allow me to congratulate you on your skilful and capable handling of it. I wish to also take this opportunity to felicitate the Ambassador of Denmark for her Presidency of the Council in the previous month.

Mr. President,

India is seriously concerned about the escalating tension in West Asia as a result of developments, in the Gaza Strip and on the Israel-Lebanese border, which have the potential to inflame the region further and widen the conflict.

India condemned the abduction of two Israeli soldiers on 12 July 2006 and has called for their immediate release. We have equally strongly condemned the excessive and disproportionate military retaliation by Israel which has targeted civilian infrastructure, including Beirut airport and resulted in the killing and suffering of innocent civilians, including women and children. The responsibility to protect women and children in armed conflict has to be real and not theoretical.

At least one Indian national has been killed and several injured in the bombings that are taking place in Lebanon. There can be no justification for the targeting of civilians and civilian infrastructure, which merits condemnation and is contrary to international law.

We call upon all parties concerned to eschew violence, de-escalate the situation, and return to the path of negotiations. It is our firm conviction that lasting peace and security in the region, which is in the interest of not only the countries of the region but of the whole world, can be achieved only through peaceful dialogue and not through the use of force.

In his briefing to the Security Council yesterday, the Secretary-General called for a ceasefire to prevent further loss of life, provide humanitarian access and give diplomacy a chance to work. In addition, the Secretary-General elaborated the elements of a plan, suggested by

the UN Mission to the region, which he said must form the political basis of any lasting ceasefire. We believe that the international community can no longer remain silent in the face of the severe escalation in the conflict, in which civilian populations have been affected, a humanitarian crisis is looming and a spill-over of the conflict beyond the region is a distinct possibility. The Secretary-General's plan offers a firm basis for discussions in the Security Council on how the issue has to be addressed. An immediate and comprehensive ceasefire would be predicated on the return of the captured Israeli soldiers, extension of the authority of the Government of Lebanon over all of its territory and immediate measures to provide relief and rehabilitation to the people of Lebanon and therefore a withdrawal of Israeli forces. Thereby the Security Council would fulfil its Charter responsibility.

As a major troop contributor to both the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF), India is concerned about the conditions under which UN peacekeepers in the conflict zone are required to perform their duties. The Secretary-General, in his update yesterday on UNIFIL, stated that UNIFIL had no freedom of movement, which precluded it from even providing humanitarian escorts for displaced people, was experiencing difficulties in receiving essential supplies and was exposed to considerable risk from the ongoing exchange of fire. These are a cause for serious concern. Unilateral restrictions on UNIFIL have to be removed, and the UN's mandate and the sanctity of its personnel have to be respected.

Mr. President,

There is equal concern about the situation in the Gaza Strip. On June 12, India condemned the killing of innocent civilians, including women and children, by the Israeli Defence Forces in an unprovoked attack on June 9. India also condemned the incident at the Kerem Shalom crossing near Gaza on June 25, which provoked the threat of massive retaliatory measures by Israel.

India is seriously concerned at the hardships and sufferings of the Palestinian people as a result of the evolving situation in Gaza and the West Bank. A situation that, I may add, has been exacerbated by Israel's destruction of Palestinian infrastructure, including roads, bridges and power plants. The Office for the Coordination of Humanitarian Affairs has assessed that nearly half the population in the Gaza Strip is currently without electricity, and that this situation could persist for up to nine months. This reduced

capacity is affecting the provision of water, with daily access for families being cut by up to 50% in some parts of the Gaza Strip. India condemns the wholly unjustified arrest and continuing incarceration of Ministers of the Palestinian National Authority and members of the Palestinian Legislative Council. There can be no justification whatsoever for taking such action against the duly elected representatives of the Palestinian people. We call upon Israel to release them immediately and unconditionally.

The international community needs to call for an immediate halt to hostilities on all sides, counsel utmost restraint, especially in the excessive use of force, and urge a return to dialogue. We also reiterate our call for all parties to renounce violence and resolve their differences through peaceful means. Israel must halt its offensive, withdraw its forces from their positions inside Gaza and release all political figures and other Palestinians. At the same time, the Palestinian leadership should make every effort to facilitate the release of the Israeli soldier and prevent any escalation of the conflict through rocket attacks against Israel and other extremist actions by militants.

In response to a request from the Palestinian authorities, and in keeping with India's traditional and consistent policy of extending sympathy and support to the people of Palestine, the Government of India has decided to give immediate humanitarian assistance worth Rupees 100 million to the Palestinian people in order to alleviate the difficult situation in which the Palestinian people find themselves. This is in addition to the approximately Rupees 700 million of assistance pledged last year during the visit of President Abbas to India. The assistance will be primarily in the form of life-saving drugs and medical supplies requested by the Palestinian authorities.

We support the Secretary-General's call for an immediate cessation of indiscriminate and disproportionate violence in the Israeli-Palestinian conflict, and a reopening of the closed crossing points. It is unfortunate that President Abbas was held incommunicado in Gaza for the last three weeks and not allowed to meet anyone. The international community needs to support a peace track for Gaza and President's Abbas' call for a proper dialogue with the Government of Israel.

It is our firm belief that a negotiated outcome of the long-standing conflict is the only way to ensure long-term peace, security and stability of the region, leading to the establishment of a viable, united and sovereign State of Palestine living in peaceful coexistence and harmony with the State of Israel.

Mr. President,

It is vital that the international community act to put an immediate end to the hostilities and to ensure that the conflict does not widen to engulf the entire region. We support the role of the regional powers in finding a solution to the crisis as solutions imposed through unilateral measures may not prove enduring. A comprehensive solution to the situation in West Asia, based on the relevant Security Council resolutions, offers the best way forward. Our commitment to the Palestinian cause was articulated by Mahatma Gandhi, Jawaharlal Nehru, Indira Gandhi and other leaders. What Jawaharlal Nehru, one of the greatest founders of the Non Aligned Movement, wrote in a letter of 11 July 1947 to Albert Einstein remains relevant:

“I do not myself see how this problem can be resolved by violence and conflict on one side or the other. Even if such violence and conflict achieve certain ends for the moment, they must necessarily be temporary. I do earnestly hope that some kind of agreement might be arrived at between the Arabs and the Jews. I do not think even an outside power can impose its will for long or enforce some new arrangements against the will of the parties concerned”.

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555. Statement by Permanent Representative at the UN Ambassador Nirupam Sen in the Security Council open debate on “Peace Consolidation in West Africa.

New York, August 9, 2006.

Your Excellency Foreign Minister Akufo-Addo,

It gives me great pleasure to participate in this open debate on the theme of “Peace Consolidation in West Africa”. This initiative of the Ghanaian Presidency of the Security Council is timely and meaningful and we welcome it. It was to be expected from a nation that has consistently made noteworthy contributions to peace not only in its own region, but internationally as well. For me personally and for my country, it is an added pleasure to address the Hon. Foreign Minister of Ghana in the Chair today, given our traditionally close bilateral relations, and our experience of the

wisdom and insight that the Hon. Akufo-Addo has always brought to any international forum he has graced with his presence. I have also been specially directed by our Minister of State for External Affairs, Mr. Anand Sharma who has asked me to convey to you his warmest good wishes.

The history of conflict in West Africa has shown that stability can be imposed for a while by force of arms and the determined involvement of the world. But history also tells us that such stability is often short-lived. Peace achieved through force of arms is often, to quote the Secretary General, a situation that is “stable but fragile”.

Indeed, recent World Bank studies underline that “countries that have suffered conflict in the recent past are also likely to see conflict return: the risk that the country will fall back into conflict within the first five years of the end of a conflict is nearly fifty percent”. This worrisome statistic is made worse by the fact that armed conflict inevitably increases military expenditure in the countries involved. This not only crowds out other public spending but, on a worldwide basis, exceeds spending on international development assistance.

Furthermore, given the current international economic order, the advantages obtained through employment-generation in parts of Africa have been squandered through negative resource flows, low commodity prices, lack of access to international markets, and the debt trap. In other words, global conditions make it likely that the vicious circle of conflict — peace — conflict becomes self-sustaining. Thus, creating peace has rarely ensured that peace remains.

The overarching question before the world today is to find ways to consolidate peace. In other words, how can regional organizations and the UN prevent States emerging out from old conflicts from lapsing into new conflict situations. We agree that in this context, we must promote sustained, equitable and employment-driven economic growth, as this is an inextricable part of the process of building durable peace. The effort to achieve these goals needs to be managed institutionally and driven internationally; it is this that gives relevance to the newly established Peacebuilding Commission.

We believe Sir, that conflict prevention efforts must include ‘operational’ prevention: a response to immediate and pressing crises such as preventive diplomacy, and ‘structural’ prevention, implying long-term structural preventive measures to prevent crises from arising or to prevent

them from recurring. The latter often involves a long-term commitment to help vulnerable and poor countries develop human and institutional resources through increased development assistance. While peace-building focuses on preventing the conditions that foster conflict, development focuses on the structural conditions that prevent growth and equity, and thereby provide ground for conflict. Peacekeeping and peace-building must be part of the same continuum if peacekeeping is to succeed. Interestingly, studies show that military interventions in conflict ridden areas are actually more expensive than the adoption of preventive approaches. Estimates show that the international community spent around US \$200 billion on seven major interventions in the 1990s while a successful preventive approach is estimated to have hosted almost US \$130 billion less.

Fundamental to a successful and long term preventive approach are sound macroeconomic policies promoting sustained employment-driven growth. Expenditure on social sector programmes of poverty eradication, education — in particular of women — immunization and basic health, and on basic infrastructure, creates conditions for sustained economic growth.

In this context, I am tempted to note that developing societies such as ours do not live on bread alone, but equally on solidarity. India and others have written off the debt of the seven Highly Indebted Poor Countries. India will continue its economic and scientific initiatives, such as TEAM 9, which involves a concessional credit of US \$500 million along with technology transfers to countries in the West African region; further cooperation with NEPAD, as well as the satellite and fibre optic connectivity mission announced by our President for the entire African continent.

Another essential pillar of the process of economic transformation involves development of effective mechanisms to resolve social tensions arising from the legacy of conflict, including through rehabilitation, reconciliation and reconstruction. It also includes the development of credible institutions of governance, stable political structures including political parties and credible strategies to effectively mobilize human and material resources. Hence, the need for the Peace-building Commission not only to work with the Security Council but above all to take into consideration inputs from other UN bodies and work under the overall guidance of the UN General Assembly. Effective coordination and consultation with regional groups and organizations must be encouraged as part of this effort.

Another key element for peace consolidation is the development of an overall country strategy framework to deal with post-conflict recovery

and reconstruction. What is crucial here is 'national ownership'. As many other speakers before we have pointed out, it is the only pragmatic answer to a practical problem. In order to ensure peacekeeping blends into peace-building, it may occasionally be necessary to operate without clear-cut national authority. But in spite of this, it is essential that embryonic national ownership is respected through clear guidelines on ascertaining and respecting the views of civil society and community representatives.

This brings me Sir to good governance. Strong local, regional and national institutions are fundamental for societal transformation. Without legitimate laws, justice cannot be effective; without minimum standards of social equality, one cannot guarantee principles of justice and fairness. Thus, it is essential that good governance prescribed for recipient countries should equally be practiced by the international institutions doing the prescribing. The two speakers before we spoke we have pointed out recent success stories: Sierra Leone and Guinea Bissau. But it is important to note that recent experiences. For instance, when Sierra Leone relapsed into civil war, it had spent 83% of the intervening period between 1994-1998 under an IMF programme. It is therefore essential that international financial institutional, especially the Bretton Woods institutions, undergo reform to reflect the voice of developing countries.

Lastly, it is essential that the process of peace consolidation is implemented at various levels. At one level, the Peace-building Commission will implement its mandate of proposing integrated strategies for post-conflict peace-building and recovery, ensuring predictable financing and developing best practices for cooperation between relevant actors and stakeholders. At another level, effective regional initiatives are essential. In this context, we fully support the efforts of the Economic Community of Western African States (ECOWAS) and the African Union in cooperating to address questions of peace and security in West Africa. Finally, there is the national level, at which it is equally essential that international institutions and partners find ways to support the efforts of countries emerging from conflict through highly concessional aid, debt waivers, assistance with disarmament, demobilization and reintegration of former combatants, employment generation strategies and extension of appropriate technologies. It is only through integrated action at all these levels that the consolidation of peace can be made effective and durable.

Thank you.

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556. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on the occasion of the formal dedication ceremony of the Vesak World Peace Buddhist Stupa to the UN.

New York, September 8, 2006.

Venerable Monks, Your Excellency Special Representative of the Deputy Prime Minister of the Kingdom of Thailand and Distinguished Guests.

India is delighted to be a part of today's Dedication Ceremony of the Vesak Day Buddhist Memorial Stupa to the United Nations. The sacred stupa being permanently installed here is not only an artefact of religious significance, but also a sacred item of peace and goodwill. It is satisfying that the legacy of the Lord Buddha endures and continues to inspire present generations, as it will, no doubt, those to come, to follow the path of righteousness, benevolence and humanism. In a sense, we are today marking an important milestone in the process initiated in the 3rd century B.C. by one of the greatest rulers of India, Emperor Asoka, to spread the Lord Buddha's message of non-violence, peace and compassion across the world.

Lord Buddha's mission in life was also to alleviate human suffering, poverty and ignorance. More than two thousand five hundred years after Lord Buddha's Parinirvana, we find the lasting impact of his teachings on the political, social and other priorities of our times. In today's world the path to salvation is not necessarily found through renunciation; it can also be found in action, provided our actions are guided by the best interests of all. The sacred stupa will serve as a constant reminder to all of us to continue to focus our efforts and actions at the international level on the promotion of love, peace and equality and the eradication of ignorance, poverty and human suffering throughout the world.

We are deeply honoured to be a part of this important event and thank all those who made it possible.

Thank you.

557. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra at the adoption of the United Nations Global Counter-terrorism Strategy.

New York, September 8, 2006.

Mr. President, at the outset I would like to place on record our sincere appreciation to the two Co-Chairs, the distinguished Permanent Representatives of Singapore and Spain, who have taken into account the concerns of various delegations and provided several successive drafts since May this year, in order to produce a final draft text that we can all live with.

2. Mr. President, we understand the compulsions that have resulted in the present text. Nevertheless, my delegation would have liked to see the United Nations convey a far stronger message directed at countering terrorism. We would have liked the Strategy to send a strong and clear signal to terrorists that their actions will not be tolerated irrespective of the motivations underlying them. Today itself terrorists have killed over 35 persons in Malegaon, India. This senseless slaughter of innocents reinforces the point that we cannot and must not yield any space to terrorism, but must resolutely confront it very where and at all levels.

3. Mr. President, we must also firmly reject the notion that there is any cause that can justify terrorism. No consideration can ever justify the targeted killing of innocent men, women or children. In this regard we would have liked to see the retention of Operative Para 11 of the July 31 draft text, which reiterated what was affirmed in the 1994 Declaration and various UNGA resolutions on measures to eliminate international terrorism. That operative paragraph unequivocally asserted that criminal acts of terrorism intended or calculated to provoke a state of terror in the general public, a group of persons or particular persons for political purposes are, in any circumstances, unjustifiable, whatever the considerations of a political, philosophical, ideological, racial, ethnic, religious or other nature that may be invoked to justify them. This widely accepted and well known principle should have been reflected in the Strategy.

4. Mr. President, the condemnation in this Strategy of terrorism in all its forms and manifestations signals the will of the international community that it would no longer tolerate the actions of the sponsors of terrorism or of those who wilfully fail to prevent terrorists from utilising their territories.

5. **Mr. President**, we continue to believe that a strong response to terrorism requires broad-based international cooperation, reducing the space for terrorists, and increasing the capability of States to address terrorist threats. It requires sustained and specific cooperation by a variety of national, regional and global agencies. We hope that the Strategy would provide the impetus to unite the international community in its fight against terrorism via practical measures that facilitate cooperation by way of extradition, prosecution, information flows, and capacity building.

6. We have gone along with the present process, Mr. President, while remaining convinced that the Comprehensive Convention against International Terrorism that we have been negotiating would have provided the requisite legal framework upon which a counter-terrorism strategy could have been based. The timeline set by the World Summit Outcome Document 2005 envisaged the adoption of the Comprehensive Convention in the 60th UNGA session. We continue to believe that agreement on it is attainable. We must now work together for the early finalization and adoption of the CCIT.

Thank you, Mr. President.

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558. Statement by Minister of State E. Ahamed at the High Level Dialogue on International Migration and Development at the UN General Assembly.

New York, September 14, 2006.

Madam President,

International Migration is a subject of much global interest at present. It involves people and has differing impact on sending, receiving and transit countries, including on their economies and societies. I am therefore glad that international migration is being discussed at the United Nations. I would like to thank the Secretary-General for the detailed report as well as the events organized as part of the preparatory process for this High Level Dialogue.

Madam President,

India is a major country of origin, destination and transit of migrants,

with a long history of attracting and sending people to other lands. It is estimated that around 20 million people of Indian origin live in other countries while another 20 million migrants, including a large number of irregular migrants are in India today. Overseas Indians, through sheer dint of effort, very often in trying circumstances, have significantly contributed to the countries of their destination while, at the same time, playing a positive role in building a bridge with India. Recognizing this, every year we celebrate their achievement with a “Pravasi Bharatiya Divas” or “Day of the Indian Migrant” and have taken several innovative investment and policy initiatives including the “Overseas Citizenship of India”.

Madam President,

In the context of globalization there is need to recognize the inevitability of international migration. This presents challenges and opportunities, including the increased demand for specialists in developed countries to strengthen their international competitiveness. In fact, the World Bank’s Global Economic Prospects 2006 notes that a rise in migration from developing countries raises incomes of natives in high-income countries. The developed countries would therefore benefit by a greater openness than hitherto in allowing movement of natural persons across national frontiers and through greater political will and determination for a successful conclusion of the GATS MODE 4 negotiations.

High income countries must address the legitimate needs of migrants, including receiving back their pension benefits and social security contributions, especially in cases of migration of shorter durations. The lack of appropriate or matching structures in the country of origin should not be made an excuse for the denial of a migrant’s legitimate pension benefits. Efforts, especially in the case of short duration migrants, also need to be made to reduce the cost of remittances.

Madam President,

Coming from Kerala, which is one of the largest places of origin of many of our workers overseas, I can personally testify to the importance of remittances, which are often the most important source of livelihood for the families of the migrant workers, and support not just one but many persons.

Madam President,

There is no restriction in India on migrating overseas. We favour a regular, non-discriminatory and orderly process, whether for permanent or

shorter-term migration. In this context, artificial barriers to migration by high-income countries should not be created and that receiving as well as sending countries act to reinforce the positives from migration and work together in a cooperative atmosphere while being sensitive to each other's concerns.

We also believe that countries of origin benefit from the return of migrants with skills or capital that they would not have acquired at home. The existence of reliable domestic institutions encourages the involvement by migrants in the development of their countries of origin. 'Brain drain' as a result of migration of skilled and highly trained people can also be translated into an overall gain.

Madam President,

As we speak about international migration today, we also need to note the problematic facet of irregular migration, which is a cause of concern for our collective well-being. Moreover, there are serious security implications, including the use of irregular migrants as an instrument for cross-border terrorism and for creating social tension in the host country. This needs to be tackled with a firm resolve. Its no longer the concern only of domestic law enforcement, but is a matter of global priority requiring coordinated and concerted action. A similar firm resolve is required to tackle the scourge of people smuggling and trafficking, especially of women and children.

Madam President,

Cooperative international efforts should result in comprehensive, mutually beneficial solutions that are based on the best practices dealing with international migration. We recognize that international migration solutions and approaches relevant for a particular country or region may not be appropriate for others. Our efforts should focus on promoting teamwork amongst nations, to maximize the benefits of international migration while reducing its negative effects. We also believe that regular interaction among countries, including at the UN, could result in a win-win situation for all.

Thank you, Madam President.

559. Statement of Minister of State Anand Sharma at the High-Level meeting on the Comprehensive Global Mid-term Review of the Implementation of the Programme of Action for Least Developed Countries for the Decade 2001-2010.

New York, September 18, 2006.

Madam President,

I would like to congratulate you on your election as the President of the General Assembly and on the successful organization of this important High-level meeting to review the progress made in the implementation of the Brussels Programme of Action for the Least Developed Countries. It is a privilege to participate in this meeting.

Madam President, At the outset, I would like to note that the LDCs themselves have been making major efforts for their economic development, including achievement of the goals set out in the Brussels Programme of Action. The Cotonou Strategy is a testimony of their commitment and determination.

Recent studies have highlighted that many LDCs have achieved relatively high rates of economic growth, though the sustainability of the accelerated growth has a significant element of being contingent on commodity prices. The key to achieving sustained economic growth in LDCs is developing productive capacities. For this, the development partners need to move vigorously in supporting the efforts of LDCs. International organisations can also play an important role by providing replicable models and information, which would help LDCs in building national capacity for domestic resource mobilisation.

The issue of debt is a critical one for many LDCs. We welcome the Multilateral Debt Relief initiative and look forward to the G-8's political intentions being fully converted into unqualified commitment. India, on its part, has demonstrated its commitment to help LDCs, which are in a particularly difficult position, in reducing their external debt burden by writing off the debt owed by seven Highly Indebted Poor Countries [HIPCs] who had reached their 'decision points'.

Debt relief through HIPC initiative or MDRI alone is not sufficient unless accompanied with efforts to improve debt management capacity

and a proactive approach to assist achieve higher growth, enhanced exports performance and revenue mobilization through better market access and enhanced trade related opportunities. The launching of the third round of negotiations for the Global System of Trade Preferences holds promise in terms of immensely benefiting both LDCs and other developing countries. India is also in the process of finalising a package for preferential market access for LDC products.

Madam President,

ODA disbursements to LDCs are more than a third short of the agreed target. There is an urgent need for new and additional commitments to fulfil the commitment by the developed countries to meet the 0.15-0.20 percent target for ODA to LDCs. This needs to be without prescribing development modes, policies of actions, either directly or through condition attached to their support, as has been noted by the Secretary-General.

Moreover, wherever appropriate, aid should help promote greater foreign and domestic private investments consistent with national priorities for sustainable development. However, a 'one size fits all' approach for all LDCs is not practical and is unlikely to succeed and while private sector investment is important, the physical and social infrastructure in many LDCs is too weak to attract investment, and therefore requires sequencing.

Madam President,

The issue of good governance has been much in focus in the context of development in developing countries as a whole and LDCs in particular. We believe that good governance at the international level is as essential as at the national level and efforts at domestic resource mobilisation need a supportive international environment that is stable, predictable, and characterised by non-discriminatory trading, monetary and financial systems.

LDCs and other developing economies also need to be assisted in capacity-building, particularly in setting up the requisite institutional framework to help prioritise the sources and destination and to attract, evaluate and facilitate, foreign investment inflows.

Madam President,

India has been a strong votary of South-South cooperation. The Indian Technical and Economic Cooperation (ITEC) has, since 1964, provided technical assistance of over US\$ 2.5 billion and more than 5000

representatives of developing countries receive training in over 250 institutions in India every year. We have constantly tried to increase mutually beneficial economic cooperation with all LDCs in general, and with those in our extended neighbourhood, in particular.

We are partnering Afghanistan in a significant manner for infrastructure and capacity building projects and a school children feeding program. With Myanmar, we are cooperating in infrastructure upgrading projects while our endeavours with Maldives include speciality healthcare and assistance for rehabilitation projects after the tsunami disaster.

We have special relationships with Nepal and Bhutan and a deep interest in their development. In the context of recent developments in Nepal, we have offered a significant immediate package of assistance. India is the largest development cooperation partner of Bhutan. Over the past decades we have built a mutuality of interests and shared economic prosperity with Bhutan.

Madam President,

Africa has always been a high priority for India and we are strengthening our cooperation through NEPAD and through other efforts such as TEAM-9 for Western Africa. Our commitment in terms of lines of credit and other concessional financial assistance add up to almost US\$ 1 billion. We are also working on a Pan-African Network which would be a major satellite and fibre optic connectivity mission that would cover the entire continent of Africa, enabling a network linking learning centres, universities, hospitals in every country in Africa with counterpart institutions in India that have a proven expertise in these fields.

Madam President,

In our endeavour to attain the Millennium Development Goals globally by 2015, it is imperative that Brussels goals for LDCs are attained by 2010. It is important that the international community comes together to ensure that this happens.

I thank you.

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560. Statement by Defence Minister and Head of the Indian Delegation to the UN Pranab Mukherjee at the 30th Annual Meeting of Ministers for Foreign Affairs of the Group of 77.

New York, September 22, 2006.

Madam Chairperson,

At the outset I would like to felicitate South Africa on the outstanding leadership provided to the Group of 77 since the beginning of this year and for promoting the Group's interests in all UN fora.

I would also like to welcome Pakistan on its election as the Chairman of the Group of 77 for the year 2007. We are confident that Pakistan would effectively pursue the interests of the Group of 77 while protecting the long-standing positions of the Group on issues of vital interest to developing countries.

Madam Chairperson,

The Group continues to face the same underlying systemic challenges that originally brought developing countries together, although the conditions have changed. On the one hand, globalisation has reinforced interdependence among countries. On the other hand, making the process of globalisation fair and equitable continues to remain a major challenge. The current impasse across all areas of negotiations under the Doha round threatens to jeopardize the development prospects of developing countries and is a matter of serious concern for developing countries. If globalisation is inevitable, multilateralism has to be its life sustaining mechanism. Solidarity among developing countries would be crucial in addressing the challenges associated with globalisation.

Progress in international trade and finance has to be measured against the yardsticks of poverty eradication and sustainable development. For many developing countries, the 1990s, the decade in which globalisation came into full force, were a decade of frustration and disappointment. With few exceptions, several economies of the sub-Saharan Africa refused to respond to the structural adjustment policies of the international financial institutions. We believe that developing countries must have the policy space to determine their development plans and priorities based on their individual situations. However, more intense cooperation at the international level, coupled with increased flow

of resources, enhanced market access and debt relief, is an absolute imperative. The fulcrum of international economic endeavour is MDG 8 – global partnership for development. In this context we welcome the call for developed countries to achieve the target of 0.7% of GNP as ODA by no later than 2015. We also welcome the agreement reached in the context of development follow-up to the 2005 World Summit to monitor the progress made towards the realisation of this target. We support the extension of further debt relief to highly indebted poor countries [HIPC] and low-income countries facing problems of financing Millennium Development Goals [MDGs].

The suspension of Doha round of trade negotiations has been disappointing considering the hopes that were raised after the Hong Kong Ministerial. Demands for reduction of de minimis payments by all countries is unacceptable to developing countries with subsistence farming and resource poor farmers. It is also important for developing countries to maintain flexibilities and policy space particularly in the context of NAMA, in order to avoid the danger of deindustrialisation for some developing countries. The overarching principle of special and differential treatment remains a categorical imperative. It is important that resumption of negotiations carry forward the progress made, that precise, effective and operational special and differential treatment for developing countries must be an integral to all aspects of the outcome of the negotiations and the outcome should deliver on the developmental imperatives embodied in the Doha Work Programme.

Madam Chairperson,

The role of science and technology for development cannot be overemphasized. The revolution in information and communication technologies offers us the tool to face the challenges of globalisation. It is ironic that the shrinking of the world as a result of technology and communications should be accompanied by evolution of controls that restrict movement for the peoples of the developing world. Intellectual property rights regimes are also often used as tools to restrict control and deny technologies rather than facilitate their transfer to developing countries. It is imperative that development dimensions are integrated into such regimes as quickly as possible. The international community also needs to find pragmatic ways to promote research and development in developing countries. We welcome the hosting of the meeting of Ministers of Science and Technology of the Members States of the Group of 77 earlier this month in Brazil to address these challenges.

Madam Chairperson,

The UN has an overriding role in the area of development. The 2005 World Summit and the agreements reached for the follow-up on “development” provide us with an opportunity to restore the primacy of the UN in dealing with the development agenda. Enhancing voice and participation of developing countries in international economic decision-making and norm-setting remains a matter of concern. A comprehensive reform of international financial architecture is needed. The development agenda of the UN needs to be an inclusive one, going beyond the Millennium Development Goals and encompassing the outcomes of major UN conferences and summits. The need to address the concerns of the Least Developed Countries, the Landlocked Developing Countries and the Small Island Developing States, can hardly be overemphasized. India has also supported concrete and implementable recommendations in support of the priorities of NEPAD with a substantial outcome for the special needs of Africa.

We support the Economic and Social Council playing its due role in promoting awareness and giving policy guidelines in the area of development cooperation. The central question is one of political will in allowing ECOSOC to discharge its responsibility. An early conclusion of ongoing consultations in the General Assembly on this question, incorporating the G-77 proposals, would be a step in the right direction.

Madam Chairperson,

India is willing to share its expertise, including in frontier areas of science and technology, and is indeed doing so already with several partner countries. We are unwavering in our support for greater South- South cooperation and the need to continue to enhance our cooperation with our partners in developing countries. The Group of 77 has been a valuable asset for developing countries. We shall remain engaged in exploring cooperative solutions both among ourselves and with the wider international community.

I reiterate India's full support and involvement in this effort.

Thank You, Madam Chairperson.

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561. Statement by Defence Minister and Head of the Indian Delegation to the UN General Assembly Debate Pranab Mukherjee at the General Debate in the 61st UN General Assembly.

New York, September 27, 2006.

Your Excellency, Madame President,
Excellencies,
Ladies and Gentlemen,

At the outset, let me join previous speakers in welcoming your election as the President of the 61st UN General Assembly. On India's behalf, I would like to assure you of our constructive support and our wholehearted commitment to work with you to achieve both the larger goals of the UN Charter and the more topical goals of the reform of this Organization that were set out in last year's World Summit Outcome Document.

Madame President,

The topic before us at this General Debate is "Implementing the Global Partnership for Development". It is difficult to contest its relevance or topicality. Today, whether we look at issues such as international trade, international financial mechanisms, methods to improve economic and social well-being, or even the various threats to peace and security that challenge our collective existence, one common theme that emerges is the lack of an effective and equitable global partnership. This is an imperative even for achieving the Millennium Development Goals.

Madame President,

The important Annual Report of the Secretary General has highlighted several successes in moving ahead with UN reforms. During the last UNGA, a Central Emergency Response Fund, the Peacebuilding Commission and the Human Rights Council were established and a Global Counter Terrorism Strategy agreed upon. We have also gradually moved forward on management and budgetary reforms. While these are certainly important and critical, if we are honest, we have to acknowledge that significant unfulfilled tasks and challenges lie ahead, particularly in unaddressed issues, including reform of the architecture of our multilateral bodies that oversee security, trade, financial flows and development.

Without this reform, the discontents of globalization would only deepen. Without it, there cannot be substantially enhanced and assured resource and technology flows to developing countries, necessary for real economic transformation and to achieve the Millennium Development Goals.

Madame President,

It is sometimes argued that private sector investment is today replacing the traditional reliance on aid and developmental assistance. While we appreciate the important role of private sector investment, it cannot replace public investment in developing countries whose absorptive capacities are often limited and where physical and social infrastructure is weak. ODA remains an important means to augment public investment in areas such as human capital development and rural infrastructure, which rarely attract private sector investment. This process of increasing the available pool of resources for investment in the social and economic infrastructure of developing countries can be promoted at one level, by developed countries, through expeditiously reaching the target of setting aside 0.7% of GDP for ODA. At another level, there is also a need to develop innovative sources of financing. We must evolve a broader understanding of ways to encourage least developed countries out of the debt trap by extension of debt-cancellation programmes, without insisting on conditionalities, such as encouraging privatization which, applied indiscriminately, may recreate the original difficulties that necessitated a recourse to debt in the first place.

The impasse in international trade negotiations is disappointing to say the least, considering the hopes raised after the Hong Kong Ministerial and at the G-8 Summit in St. Petersburg this July. Early resumption is desirable but adherence to the existing mandate is imperative – the mandate of the Doha Declaration, the July Framework and the Hong Kong Ministerial Declaration.

When agriculture was brought into the ambit of negotiations at the creation of the WTO, the developing countries were given a clear understanding that trade distorting agricultural subsidies would be phased out in a time bound manner.

Minimizing the vulnerabilities of the poor farmers must be our collective priority. Demanding market access from developing countries, which displace low-income and subsistence farmers to satisfy commercial interests, cannot be supported. Proportionately lower overall tariff reduction

commitments and operable and effective development instruments of Special Products and Special Safeguard Mechanism are the essential components of securing food security, livelihood security and rural development needs of developing countries. The overarching principle of special and differential treatment, therefore, remains a categorical imperative, and is the underlying basis of the position of developing countries.

In our view, there exists an overwhelming logic for giving the United Nations a role in providing direction to the comprehensive reform of the international financial and trading systems. These reforms must be aimed at building an international architecture that reflects the realities of the 21st century and is able to create an environment that effectively supports national efforts to eradicate poverty. The Millennium Development Goals have given hope to the poor and the underprivileged of the world and these goals are to be achieved by 2015. In this context, the World Bank must remain steadfast in its mission for 'a world free of poverty' and its strategy must remain embedded in the historical development-centric approach. The Outcome Document of last year's World Summit had emphasized that 'enhancing the voice and participation of developing countries in the Bretton Woods Institutions remains a continuous concern'. The bridging of this 'voice' deficit requires fundamental reforms in the quota structure, which are long overdue and absolutely necessary to enhance the credibility and legitimacy of the IMF. The quota reform has to begin with the revision of the formula, so as to reflect the relative economic strengths of countries in the 21st century. The UN should encourage that immediate steps are taken to initiate the second stage of IMF quota reform, involving a basic revision of the quota formula and subsequent increase of quotas for all under-represented countries. And all this must be done in a time-bound manner.

Madame President,

Change is the law of life. Acute dissatisfaction in many statements is the result of preventing institutions from changing. What is true in the economic field is equally true of the architecture of our international security system—as reflected in this unique Organization that is supposed to reflect the collective will of our world—which remains mired in the past. Recent tragic events in Lebanon, and the stasis in the peace process in the Middle East, have highlighted the growing failure of the institution designated by the Charter with primary responsibility for issues relating peace and security. There is wide acceptance that the Security Council can no longer be

regarded as being reflective of the changed international environment that has emerged since the time of its creation. The Security Council has not only to be more representative but also to be more effective if it is to be able to satisfactorily perform the role mandated to it by the Charter. At the same time, it has needlessly diverted its attention to issues and areas that go beyond its mandate. For instance, the inclusion of items on its Agenda that have nothing to do with peace and security represents an encroachment on the roles mandated to other UN bodies. In order to ensure that the international community exercises real ownership of the process of securing our world, it is essential that comprehensive reform of the Security Council is undertaken and that its membership is expanded in both permanent and non-permanent categories. It is no accident that the Secretary General's report refers to the enhancement of the legitimacy and the urgent need for reform to ensure relevance and credibility.

The revitalization of the General Assembly is intertwined with the reform of the Security Council, and it is no coincidence that its reform too has long been frustrated. A strengthened and more effective United Nations presumes a revitalized General Assembly that exercises its role and authority in the areas of responsibility assigned to it by the Charter. These include its effectively addressing topics such as international law and human rights, financial, budgetary and administrative matters, as well as the global economic architecture and important issues related to development.

Madame President,

I now turn to one of the most crucial issues of our times: the problem of terrorism. While this phenomenon has become increasingly global, our collective response to it has remained rather inadequate. The multiple ways in which terrorism challenges the core principles of humanity and the mandate of the United Nations are underlined by the outrages perpetrated in India over the last few months. Barely two months ago, in a single black day, more than 200 lives were lost and more than 1000 were injured by dastardly bombings in Mumbai and elsewhere in India. These and other such incidents of outrage were clearly designed to spread maximum terror among ordinary people. And ours is not the only country to be singled out by vicious and senseless acts of murder. A strong response to terrorism requires broad-based international cooperation denying the space available to terrorists, and increasing the capability of States to address terrorist threats. It requires sustained and specific cooperation by a variety of national, regional and global agencies.

Madame President,

We have joined in the adoption of the United Nations Global Counter-Terrorism Strategy earlier this month, even though we would have ideally liked the United Nations to convey a far stronger message to counter terrorism. We must collectively and unanimously reject the notion that any cause can justify terrorism. No cause can ever justify the targeted killing of innocent men, women and children. The international community must signal that it will no longer tolerate the actions of the sponsors and abettors of terrorism or of those who wilfully fail to prevent terrorists from utilising their territories. We hope that the Strategy would provide the impetus to unite the international community in its fight against terrorism via practical measures that facilitate cooperation by way of extradition, prosecution, information exchange, and capacity building.

While we have gone along with the Global Counter Terrorism Strategy, the Comprehensive Convention against International Terrorism, which remains a work in progress, would have provided the requisite legal framework upon which a counter-terrorism strategy could have been based. It cannot be beyond our collective ingenuity to reach an agreement on this Comprehensive Convention, even though we have missed the target of doing so in the 60th UN General Assembly. We must work together to finalize and adopt the Comprehensive Convention, at least during this session of the General Assembly.

Madame President,

The existence of nuclear weapons continues to threaten international peace and security. In our view, the best non-proliferation measure is universal disarmament and the international community needs to take immediate steps to eliminate the threat of use of nuclear weapons. We have to revive momentum for achieving what late Prime Minister Rajiv Gandhi called “a nuclear weapons free and non-violent world”, to be achieved through negotiations in a time bound manner. India will be presenting a working paper at this session of the UNGA on the issue of nuclear disarmament on which we look forward to working with UN Member States.

In recent years, new dangers have emerged due to the link of proliferation of WMD related materials and technologies to non-state actors and terrorist groups. The international community needs to work together to meet these challenges. India’s record in this regard is impeccable and we have instituted effective measures to ensure that technologies developed by us are not leaked in any way.

Madame President,

It is true that the developing countries bear the heaviest burden from pandemics, epidemics and chronic disease. The scourge of HIV/AIDS, Malaria, Avian Influenza and Tuberculosis seriously threaten the future of many developing countries by robbing them of their most productive segment of society - the youth - thereby affecting the future of these countries. An enhanced global collaborative effort is called for to confront the proliferation of challenges affecting the lives of the majority of our citizens.

We also need to address the central issue of the special needs of the developing countries, especially in Africa and the vulnerable small states. On our part, we shall continue to expand our programme of South-South cooperation also through New Partnership for African Development (NEPAD), through TEAM 9 – our special program for West African countries – and by means of the connectivity mission in Africa as well as assistance, capacity-building and technology transfer aimed at reducing the vulnerabilities of small states.

Madame President,

Prime Minister Jawaharlal Nehru, who embodied our commitment to the UN ideals, said “in a world of incessant and feverish activity, men have little time to think, much less to consider ideals and objectives. Yet, how are we to act, even in the present, unless we know which way we are going and what our objectives are?” Confronted as we are by the globalization of threats and by the limitations of our international systems to address such challenges, the need for a comprehensive reform of the UN has never been more imperative. We need to enfranchise the UN to meet the challenges of our time by reinforcing its role and authority as the core of real multilateralism.

We look forward to working closely with other Member States, under your leadership, to press ahead with essential reforms at the UN and implement an effective global partnership for development that encompasses everyone and enables every individual to live a life of dignity in a clean, safe and healthy environment.

Thank you, Madame President.

562. Statement by Member of the Indian Delegation to the UN C. K. Chandrappan at the General Debate – Second Committee of the 61st session of the General Assembly.

New York, October 2, 2006.

Madam Chairperson,

My delegation congratulates you and other members of the Bureau on your election. I would like to assure you of my delegation's cooperation in the work of the Second Committee. We associate ourselves with the statement made by the Permanent Representative of South Africa as Chairman of the Group of 77. We would like to express our appreciation for the statement made at the beginning of this debate by the Under-Secretary-General for Economic and Social Affairs, Mr. Jose Antonio Ocampo, and for sharing with us his insight on the world economic situation and prospects.

Madam Chairperson,

The World Economic Situation and Prospects 2006 report brings out that global economic growth slowed noticeably in 2005 from the strong expansion in 2004. It is expected to grow at a moderate pace of about 3% during 2006, and widening global imbalances and high oil prices constitute downside risks. The pattern of net transfer of resources from developed to developing countries has lasted for about ten years, rising steadily from US \$ 8 billion in 1997 to US \$ 483 billion in 2005. Even though net transfers to sub-Saharan Africa are still positive, the magnitude of these transfers is on the decline, reaching US \$ 2 billion in 2005, down from US \$ 7.5 billion in 1997. International income inequality that continued to rise strongly from an already high-level and the world economic social survey 2006 has concluded that failure to redress the tendency towards growing global inequality could have wide-ranging consequences for human development.

The mobilisation of additional financial resources to assist developing countries in achieving the Millennium Development Goals continues to remain a major challenge and the current impasse in the Doha round of trade negotiations is a cause of concern. Even though the aggregate ODA reached a record high of US 106 billion in 2005, only a small fraction of this nominal increase actually represented a flow of additional finance to the countries that need them most. The MDGs cannot be achieved without implementing the 0.7% ODA target in a time bound

manner, innovative financing, deeper debt relief and enhanced market access. We support efforts extended to low-income countries, including those in Africa, where debt burdens pose serious constraints to the attainment of MDGs. As the proposals for innovative sources of financing reach maturity, establishment of robust and efficient mechanisms to track ODA flows would become vital, more so in the context of recent debt relief initiative. What is needed is to strengthen the existing mechanisms, and to consider establishing new mechanisms to monitor review and follow up of the implementation of all the commitments, as stipulated in the development follow-up resolution adopted by the General Assembly this July.

Madam Chairperson,

Trade can stimulate growth. In this context, realization of the development imperatives of the Doha development agenda, the July Framework, and the Hong Kong Ministerial Declaration is imperative. Proportionately lower overall tariff reduction commitments and operable and effective development instruments of Special Products and Special Safeguard Mechanism are the essential components of securing food security, livelihood security and the rural development needs of developing countries. In the absence of elimination of trade distorting domestic support and export subsidies in the agricultural sector by the developed countries and non-agricultural market access, import liberalization by developing countries will only lead to domestic demand constraint and industrial recession. The overarching principle of special and differential treatment, therefore, remains a categorical imperative. A systematic effort and demonstration of considerable political will are essential, if the negotiations are to be saved.

The growth successes and collapses have tended to cluster around specific time periods; it is unlikely that domestic factors alone can explain a pattern common to many countries at the same time. Poverty and conflicts are not simply a legacy of the colonial past, but epiphenomena of the policies of the international financial institutions. It is no coincidence that several countries have rejected the prescriptions meted out by the Bretton Woods institutions [BWIs]. Governance at the international level is as important as governance at the domestic level. The BWIs must remain steadfast in their mission for a world free of poverty and their policies must remain development oriented. Addressing the democratic deficit in the governance structures of the BWIs remains a necessity. The 2005 World Summit reaffirmed the fundamental role of the United Nations in promoting

international cooperation for development and system-wide coordination of policies of the UN system. The UN should encourage the BWIs to take further and immediate steps to initiate the second stage of IMF quota reform, involving a basic revision of the quota formula and subsequently increasing the quota for all under-represented countries.

Madam Chairperson,

We welcome the proposal for intensifying global development partnership for helping Africa. India has an extensive bilateral programme of economic and technological cooperation with Africa including lines of credit that also encompass the vital areas of infrastructure, education and public health. We support greater efforts through the UN system for assisting the efforts of countries in Africa as well as for addressing the special needs of Least Developed Countries, Landlocked Developing Countries and the Small Island Developing Countries.

Madam Chairperson,

Environmental protection remains a major challenge for developing countries. Concrete efforts are needed to provide new and additional resources as well as to ensure transfer of environmentally sound technologies on concessional and preferential terms to developing countries, within the common and differentiated responsibilities paradigm.

Madam Chairperson,

The Secretary-General has emphasized, in his annual report on the work of the Organisation, that 2006 must be the year of implementation. We agree with him.

We hope that the deliberation of the Second Committee will help us in identifying areas of cooperative action and moving forward the implementation of the development agenda.

Thank you, Madam Chairperson.

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563. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 102: Report of the Secretary-General on the Work of the Organisation at the 61st session of the UN General Assembly.

New York, October 2, 2006.

Madam President,

We congratulate you on your election and on the efficient manner in which you have been conducting the work of the 61st session. We assure you of our constructive cooperation. We thank the Secretary-General for the comprehensive overview of the Organization's main achievements and challenges during the past 12 months.

As the report highlights, the Secretary-General has overseen many achievements of this Organization during the past ten years. The Millennium Summit, which led to the adoption of the Millennium Declaration and the Millennium Development Goals, was followed up last year with the five-year review and the adoption of the 2005 World Summit Outcome Document. The MDGs itself embody a quantifiable vision of certain important economic and social rights and, in this sense, they carry forward the right to development. The global partnership for development, as set out in the Millennium Declaration and reaffirmed by the 2005 World Summit, is primarily a commitment to make the Right to Development a reality for all and we should reach broad agreement in fulfilling the promise.

The report reminds us of the imperative of implementing the global partnership for development; the need for enhanced focus on peacebuilding; increased attention to the special needs of Africa, health issues, including HIV/AIDS, malaria and tuberculosis; and to the need for strengthening the United Nations and making it a robust and vibrant Organization, responsive to the needs of the time, and by implication to the needs of developing countries which constitute the vast majority of the Organisation. I may state categorically that unless there is a sharp increase in welfare and a sharp decrease in vulnerability across the African continent and across the Small Island Developing States, we cannot pride ourselves on any measure of success. It is worth remembering that what was achieved at the 2005 World Summit was to the extent of the solidarity of the developing countries. This remains important in the implementation of the commitments made in the World Summit Outcome; agreement reached in the context of Development Follow-up is indicative.

Madam President,

For developing countries, the centrepiece is development. Poverty and conflicts are not only the legacy of the colonial past, but also epiphenomena of the structural policies of the IFIs. The present international system takes from the poor – net transfers from developing countries continued to rise for the twelfth consecutive year reaching over US \$ 450 billion. Without addressing the development problems faced by the vast majority of UN membership, security in its full sense cannot be achieved. The report of the Secretary-General notes that, since the Millennium Summit in 2000, the progress has been uneven and the ongoing levels of human deprivations remain staggering.

Implementing the global partnership for development [MDG 8] is a categorical imperative. The MDGs cannot be achieved without implementing the 0.7% ODA target in a time-bound manner and innovative financing; deeper debt relief, enhanced market access and improved global economic governance. Even though aggregate ODA reached a record high of US \$ 106 billion in 2005, only a small fraction of this nominal increase actually represented additional finance to support real investments in countries that need them most. We welcome the agreement reached to monitor the fulfilment of commitments made to provide development assistance. India is supportive of all initiatives in support of the low-income countries, including those in Africa, where debt burdens pose serious constraints to the attainment of MDGs. It is also important that debt stock cancellation is complemented by sharp increases in ODA.

Addressing systemic issues is an urgent practical necessity. As reaffirmed by the 2005 World Summit and subsequently agreed in the context of “development follow-up” this July, there is an overwhelming logic for the United Nations to give direction to the comprehensive reform of the international financial, monetary and trading systems. The democratic deficit in the international financial architecture can only be addressed through a fundamental reform of the quota structure, an absolute necessity for the credibility and legitimacy of international financial institutions. The UN should encourage further, effective and time bound steps for the second stage of IMF quota reform without delay, involving a basic revision of the formula, subsequent increase of quotas for all under represented countries and amendment of the Articles of the IMF.

The suspension of the Doha Round of trade negotiations is a cause of concern. Realization of the development imperatives of the Doha

Development Agenda, the July framework and the Hong Kong Ministerial Declaration is crucial for developing countries.

The overarching principle of special and differential treatment remains a categorical imperative. Many developing countries' problems are not because of inadequate liberalisation or corruption but because developed countries set the agenda and went back on their promises thereby ensuring that the history of trade negotiations would be a history of broken promises. In the Uruguay Round, in return for the developing countries' reducing their tariffs and accepting new regimes like TRIPS, the developed countries' promised to phase out textile quotas and remove agricultural subsidies. The former took a decade and the latter still remain. This amounts to barring the Punta Del Este Declaration. The Doha Development Round has delivered neither fair trade nor development. Demonstration of political will by the developed countries will be required if negotiations are to be saved. A clear political direction to the WTO that was not possible in the 2005 World Summit in spite of broad political support remains necessary.

The primacy of development on the global agenda can only be achieved if the UN takes a lead in setting the international economic agenda. The problem is the reform of the UN system, the reinstatement of the UN-driven and development oriented approach. What is needed is the UN overseeing the international economic agenda and promoting the reform of international economic institutions through a revitalized General Assembly, strengthened Economic and Social Council and a reformed Security Council. Only if we remain engaged actively can we correct the imbalance; ensure that no country is too weak to influence the UN; that the economic agenda is truly development-oriented; and that laws are made by the General Assembly. Professor Stiglitz, in his latest book "Making Globalisation Work" has suggested that the UN – the ECOSOC would be the appropriate body – should carry out regular independent evaluations of the performance of international economic institutions because those by the World Bank and the IMF cannot be "fully independent" and later adds that the ECOSOC should "play an important role in defining the global economic agenda".

The 2005 World Summit emphasised the need to strengthen the Economic and Social Council in order to enable it to play a critical role in promoting international cooperation for development as well as enhancing policy coherence and coordination among agencies. An early conclusion of negotiations on this issue is needed, as is a demonstration of political

will to enable the ECOSOC to fulfil its mandate, as envisaged in the Charter, and to contribute to peace building and peace consolidation efforts in countries emerging from conflict in accordance with the agreements reached at the time of establishment of the Peacebuilding Commission. Similarly, in the context of strengthening of the role and authority of the General Assembly, early consultations on the establishment of the ad hoc working group is called for. In fact the early setting up of the ad hoc working group on GA revitalisation is essential. The General Assembly is best placed to ensure that the candidate proposed for the post of the Secretary-General is sensitive to the needs of the developing countries.

The Bretton Woods Institutions, like the UN Security Council, carry the stigmata of 1945 – the world was still colonised and these clubs of the rich play by rules totally inadequate for the 21st century. In the IMF, the rich countries, in fact a single rich country has virtually a veto, as we saw in Singapore recently. The most powerful countries appoints the Head of the World Bank, and, with Western Europe, shares the top two posts of the IMF. Is it any different with vetoes and appointments by the Security Council? The revitalisation of the General Assembly has not really taken place because the 2006 Resolution remains as much a dead letter as the 1997 Resolution and encroachment by the Security Council continues. Unless the developing countries managed to change things lock, stock and barrel, unless they eschew temporary and immediate but certainly evanescent gains and recover the energy of our founders, this organisation may pass out of their hands and we would end up in a limbo, a corner, on the margins, without any rights. And the continual adaptation to continually lower expectations would transform this august Assembly into irrelevant spectators.

Madam President,

The recent tragic events in Lebanon and the stasis in the peace process in the Middle East have highlighted the growing failure of the Security Council designated by the Charter with primary responsibility for issues relating to peace and security. They reminded me of Emperor Nero who was fiddling while Rome was burning (incidentally this is not a reference to the Uniting for Consensus). The main problems that beset peacekeeping are not a lack of resources or even personnel, but an un-representative Security Council, which lacks the political will to act and when it does, does so in a manner that is entirely inadequate. The Council also needs to shore up its participation in peacekeeping operations; the Secretary-General's

report states that an overwhelming number of troops in UN peacekeeping operations are contributed by developing countries. This is a distressing reflection on Security Council willingness to share the burden of maintaining international peace and security. It is no accident that the Secretary-General's report refers to the enhancement of the legitimacy and the urgent need for reform to ensure relevance and credibility. We agree with the Secretary-General that 'the Council should be more representative of today's geopolitical realities and more efficient and transparent in its working methods'. There is widespread acknowledgement that no reform of the United Nations would be complete without the reform of the Security Council. The Security Council must not only be more representative but also more effective, if it is able to satisfactorily perform the role mandated to it by the Charter.

The recent plenary debate on the UN Security Council reform held in July this year gave a clear signal that the momentum for reform remains intact and maintaining the status quo was unacceptable. Developing countries remain grossly under-represented in the Council even though most decisions taken by the Security Council directly affect them. Thus, developing countries continue to face the same underlying systemic challenges that brought them together in the 1960's; today in many respects, the environment is more harsh. The voice of developing countries and their further empowerment in the international arena is vital for leveling the so-called 'playing fields'.

It is, therefore, imperative that any expansion and restructuring of the Security Council must include developing countries, both as permanent members and in the non-permanent category. We are committed to undertake intensive consultations with other developing countries in the spirit of solidarity, and to embark on a South-initiative for the reform of the Organisation in a manner that is reflective of the aspirations of the developing countries and that ensures that the reformed structures are responsive to their needs; in areas ranging from development to peace and security – strengthening of ECOSOC, revitalization of the General Assembly and reform of the Security Council. It is worth recalling that the spending cap was imposed by consensus. But the damaging proposals on governance and flexibility were first halted by the solidarity and resolute action of developing countries. The lesson is obvious: an organic initiative from below is necessary. This can only be a South initiative for the comprehensive reform of all the key institutions so vital for the South – General Assembly, ECOSOC and Security Council. What some of the P-5

suffer from – a virtue they share with the Russian Tsars, the French Bourbons and the English Stuarts – is a reification of the present – an unwillingness to accept that institutions can be different.

Madam President,

The Secretary-General's report speaks of the increased recourse to the United Nations for peacekeeping and for prevention of armed conflict. This highlights the need for the Organization to develop capabilities in the sphere of peace-building, not merely in the cause of peacekeeping, underlined most starkly in the vicious circle of violence that continues to plague the Middle East; and that conflict resolution needs to go well beyond its current limited role of keeping belligerents apart. The Peace-building Commission is, in this sense, a welcome effort. Our pledge of US \$ 2 million to this body reflects our perception that there is a grave need for a shift of focus from merely peacekeeping to peace-building/peace consolidation. The PBC must establish its credibility. As a member of the Organizing Committee, we are committed to contribute in this direction.

The surge in peacekeeping reported by the Secretary-General has brought new challenges and more demands, though the earlier problems persist. The issues of effective planning, congruity among mandates, resources allocated and objectives to be achieved, safety and security of peacekeepers are some of the other areas of particular concern. These questions should be the subject of a constant dialogue and interaction among the troop-contributing countries, the Security Council and the UN Secretariat, if peacekeeping is to be effective.

India remains steadfast in its commitment to promoting world peace and security. Our contribution to UN peacekeeping is part of this broader commitment. We have been one of the most consistent contributors of troops to the UN, and shall continue to uphold this tradition. We shall continue to work with the Secretariat and Member States in order to make peacekeeping the effective instrument that we all wish it to be.

Madam President,

Nothing can justify terrorism. The adoption of the United Nations Global Counter-Terrorism Strategy is a step in the right direction to the extent that the Strategy would signal the will of the international community that it would no longer tolerate the actions of the sponsors of terrorism or of those who willfully fail to prevent terrorists from utilizing their territories for moral or material shelter. As for the concept of State terrorism, we

mean by State terrorism, State sponsorship and patronizing of terrorists in order to disrupt the peace in other countries. Notwithstanding the setback of not meeting the timeline set by the 2005 World Summit for concluding a comprehensive convention, we believe that agreement on the draft convention is attainable. We must now work together for the early finalization and adoption of the CCIT. The problems in Article 18 (the new Article 20) can perhaps be overcome through formulations on not affecting the legal status of any entity under International Humanitarian Law.

Madam President,

The 2005 World Summit, while recognizing that peace and security, development and human rights are interlinked and mutually reinforcing, underscored the centrality of development. The Seventh session of the Working Group on the Right to Development, which was held in Geneva in January 2006, adopted a set of criteria for evaluation of the fulfillment of commitments towards global partnership for development [MDG 8] from the perspective of the right to development. It also said that the policies of BWIs have to be corrected in terms of deficiencies from the perspective of the Right to Development. Thus, there is broad agreement that straddles across divides; there is no fundamental contradiction. The efforts to mainstream all human rights, including the Right to Development, by strengthening linkages between the normative and operational work of the UN system need to proceed in a measured manner taking into account the specific needs and requirements of the Member States concerned.

We welcome the establishment of the Human Rights Council whose focus should be the promotion of human rights through international cooperation and genuine dialogue among Member States, including capacity-building and mutual assistance. We believe that the Office of the United Nations High Commissioner for Human Rights (OHCHR) should extend technical assistance and enhancing capacity building in the area of human rights to Member States at their request. It is in this spirit that India supported the strengthening of the Office of the High Commissioner, including an increase in its resources from the regular budget of the United Nations.

We agree with the need for further steps aimed at enhancing the speed and effectiveness of the UN's response to humanitarian emergencies. India would continue to play a constructive role in this regard bearing in mind the lessons learnt from experiences in the field. India has been constructively engaged in the setting up of the Central Emergency Response Fund. India's contribution of US \$2 million to CERF at its launch

in March 2006 is a reflection of our solidarity with other developing countries in the aftermath of disasters. We would remain actively engaged with the process of improving the working of the CERF.

Madam President,

Our Organization needs to reform to keep up with the complex challenges of today. We welcome the reforms that have been implemented in the United Nations Secretariat since 1997 and look forward to constructive discussions in the 61st session on important issues such as governance and oversight. The declared objectives of these reform proposals cannot be repudiated. Nevertheless, the process often becomes as important as the goal itself. We would, therefore, stress the importance of discussions on these issues to be undertaken in an open, inclusive and transparent manner and are ready to engage on these issues with an open mind.

On the issue of governance, we reiterate the importance of the existing structure of administrative and budgetary decision-making in the United Nations based on primacy of the General Assembly and its Fifth Committee. Improvement is an incessant process and we could discuss ways to make administrative and budgetary decision-making in the Organization more efficient and effective. Altering the unique all-inclusive character of the Fifth Committee, which is being proposed by some, has already been rejected by Member States and remains unacceptable. We strongly support strengthening the oversight role of the GA, maintaining the inter-governmental nature of the UN, and respecting the sovereign equality of all Member States to participate in the decision-making processes of the UN.

We need to strengthen oversight in the UN system by making the oversight bodies independent. We seek greater accountability from the Secretariat to Member States. We believe that the United Nations should have a fair, transparent, and rule-based selection process based on equitable geographical representation and with due regard for gender balance. We call for an administration of justice in the United Nations, based on due process of law that is fair, consistent, non-discriminatory and speedy. We look forward to comprehensive procurement reforms in the Organization.

Madam President,

There is a broad realization of the need to work urgently towards a nuclear weapon free world. Yet, the goal of nuclear disarmament remains

elusive. We believe that the best non-proliferation measure is universal disarmament and the international community needs to take immediate steps to eliminate the threat of use of nuclear weapons. India will be presenting a working paper at this session of the UNGA on the issue of nuclear disarmament on which we look forward to working with UN Member States.

We shall provide more detailed comments during discussions of the respective agenda items in the General Assembly and its main Committees.

Thank you, Madam President.

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564. Speech by Member of the Indian Delegation to the UN K. P. K. Kumaran on the subject of “Granting of Independence to Colonial Countries and Peoples” in the 4th Committee of the 61st session of the UN General Assembly.

New York, October 3, 2006.

Mr. Chairman,

It gives me great pleasure to congratulate you on your election as Chairman of the Fourth Committee, as well as the other members of the Bureau. I assure you of my delegation's full cooperation and support during this 61st session of the UN General Assembly.

Mr. Chairman,

Despite progressing into a new century, we continue to grapple with the vestiges of colonialism, a bygone system that runs contrary to the fundamental principles of this Organisation. Colonialism is anachronistic and outmoded; it contravenes the fundamental tenets of democracy, freedom, dignity and human rights. While remarkable progress has been made in removing over 80 countries, 16 areas still remain on the list of Non-Self Governing Territories. This serves as a reminder that the process of decolonisation is incomplete and more needs to be done. We are now in the sixth year of the Second International Decade for the Eradication of Colonialism [2001- 2010] and unless we intensify our work to implement the various resolutions and recommendations to eradicate colonialism, the

Special Committee of 24 may well need a further decade to complete its work.

Our approach to the task ahead must therefore blend urgency and activism on the one hand, and sensitivity and circumspection on the other. We must, first and foremost, take into account the needs of the people of these Territories and their special circumstances. An appropriate format and timing for the completion of decolonisation in each territory needs to be focused upon. Ascertaining the political aspirations of the people in each of these Territories, and taking into account the stages of development of each Territory, are critical inputs for making decisions that enable them to develop indigenous political and socio-economic institutions and structures of their choice. The importance of eschewing a “one size fits all” approach cannot be overstated; the focus should instead be on a case-by-case approach, with a view to making real progress in each Territory.

Dissemination of relevant information regarding options that may be available to the people in the Territories is crucial. All too often, they may be unaware of their legitimate political options; for real constitutional and political advancement to occur, the peoples of a Territory require sustained access to unbiased information on the licit options of political equality before them, namely, independence, free association with an independent state or integration with an independent state, as clearly defined under Resolution 1541 [XV] of the General Assembly.

Two other important tools that could serve to bridge this information deficit in the process of decolonisation, are the visits of UN Missions to Non Self-Governing Territories and the conduct of Regional Seminars by the Special Committee of 24 on Decolonisation. The instrumentality of visiting Missions helps in the collection of adequate and first-hand information on conditions in the Territories and for ascertaining the wishes and aspirations of the peoples concerning their future status. Such missions are important in the context of furthering modalities and action plans for decolonisation and observing acts of self-determination. We hope that the administering Powers would extend their full cooperation to the Special Committee in facilitating such visiting missions. Similarly, we favour the holding of regional seminars by the Special Committee, in an effort to mobilize world opinion to support and assist the peoples of the Territories in speedily ending colonialism. The idea of combining visiting Missions to certain Territories with seminars in order to optimize available resources is a worthy one, which should be pursued.

The role of the administering Powers is an important factor. A spirit of cooperation and flexibility has largely imbued their actions in recent years. Therefore, we call upon them to further build upon this positive spirit by, in particular, assisting the Special Committee of 24 in devising specifically tailored action plans for the decolonisation of certain Territories in their quest for self-determination. The holding of a referendum in Tokelau on the political status option in February 2006 is one such example. A United Nations team led by Ambassador Robert G Aisi was present on the occasion at the joint invitation of the New Zealand and Tokelau Governments. We hope that such instances of partnership will serve as a guide to other administering Powers which continue to resist the international dialogue established by the United Nations on the political and constitutional development of the territories under their administration. We agree that an interactive dialogue on the objective reality in the Territories would be to the benefit of all concerned, in particular, the people of these territories.

We should like to express our appreciation for the work of the Special Committee. We agree with the Chairman's contention that the focus should now be on implementation. We support moves to concentrate efforts to produce a plan of implementation for the wider United Nations system in order to organize actions already called for, into concrete activities, in furtherance of complete decolonization by 2010. We are convinced that only through such a pro-active approach, which we must carry forth into 2007, will we be able to fulfill the mandate for decolonisation by the end of this decade. We would like to assure the Chairman of the Committee of 24 of our full support and involvement in his efforts to move the agenda ahead and successfully complete the mandate of the Special Committee.

Mr. Chairman,

As a founding member of the UN and the Special Committee of 24 on Decolonisation, we share solidarity with other erstwhile-colonized peoples and nations. We consider it an honour to re-dedicate ourselves to the cherished ideals of freedom, democracy, human rights, dignity and peaceful co-existence, while reaffirming our commitment to achieving the goal of complete decolonisation.

Thank you, Mr. Chairman.

565. Statement by Member of the Indian Delegation to the UN Balasaheb Vikhe Patil at the 61st session of the 1st Committee of the United Nations General Assembly.

New York, October 6, 2006.

Madam Chairperson,

Please accept my delegation's warm felicitations on your assumption of the Chair of the First Committee of the General Assembly. We are most happy to see in this position an illustrious representative of Norway, a country that has distinguished itself in the advocacy of peace and disarmament. You have our full cooperation and support.

2. The United Nations can play a central role in making the international community's yearning for general and complete disarmament a reality. The First Committee, tasked to deal with disarmament and related international security questions, is the instrument for achieving this as it provides a universal forum for Member States to assess the current global security environment, identify threats to international peace and security and recommend concrete measures to combat them.

3. The threats we face today are global in their character and, therefore, need global solutions. No State possesses the capability to confront them by itself. The imperative of cooperation has never been more evident. However, collective security, which inspired the founders of the United Nations, remains only an idea, with security of States being largely predicated on national capabilities. This imperils and weakens the international security system.

4. It is thus the lack of a shared perspective that has stalled the Conference on Disarmament and prevented consensus on the disarmament and non-proliferation segment of the 2005 World Summit Outcome. The Conference on Disarmament has failed to reach agreement on its programme of work. Procedural fixes and debates have failed in bridging these differences. India remains committed, as always, to support initiatives that foster a consensus based on priorities and concerns of all states to break the deadlock in the Conference.

5. An important component of international security is energy security. As the global economy expands, spurred by high growth rates in emerging economies, the global demand for energy will dramatically increase. Given

the imperatives of sustainable development and the risks from climate change, nuclear energy offers us an environment-friendly source for meeting the global demand. We believe there is an immense opportunity for international cooperation combining with indigenous national efforts to ensure diversified energy mix for sustainable development.

6. Another looming danger is the proliferation of weapons of mass destruction (WMD) and global terrorism. The growing possibility of terrorists gaining access to weapons of mass destruction has added a new and dangerous dimension to the threat of WMDs. The existence of networks of proliferators, aided and abetted by elements within state structures, has further aggravated this threat. It is, therefore, of paramount importance that: (i) States renew their commitment to fulfil their responsibility to fully abide by their non-proliferation and disarmament obligations, assumed voluntarily under various legal instruments; (ii) States take seriously requisite measures to deny non-State actors, including terrorists, access to weapons of mass destruction as well as related equipment, materials and technologies.

7. India's own impeccable record on non-proliferation of weapons of mass destruction has been recognized and appreciated by the international community. Enactment of a comprehensive legislation by us on prevention of unlawful activities regarding WMDs by our Parliament in June 2005 strengthened the existing legal framework for this purpose. We have also updated our export control regulations and lists to reflect the best international practices on export controls. We shall continue to ensure that India will never be a source of proliferation.

8. It is, however, necessary that we do not lose sight of the goal of nuclear disarmament, which should remain the international community's highest priority. Progress towards nuclear disarmament has unfortunately stalled and the global disarmament machinery remains paralysed leading to disquiet among the international community. Non-proliferation and disarmament ought to be mutually reinforcing. This is a challenge for the UN General Assembly to take up.

9. The very first resolution adopted by the General Assembly, resolution 1(1) of 1946, sought the elimination, from national armaments, of atomic weapons and all other weapons of mass destruction. We can commemorate the glorious vision on its 60th anniversary by renewing our commitment to general and complete disarmament, in particular nuclear disarmament. Member States embraced this objective unanimously in 1978, at the first special session of the General Assembly devoted to disarmament.

In our view, another special session may provide the much-needed impetus to the consensus achieved in 1978 and help to evolve forward-looking approaches, taking into account the concerns and priorities of all Member States.

Madam Chairperson,

10. The principles of restraint and responsibility are the sheet anchor of India's nuclear doctrine. While maintaining a credible minimum deterrent, there has been no dilution of India's commitment to nuclear disarmament, which remains a core objective of India's foreign policy. This is so because India believes that its security, as indeed of the entire world, would be enhanced in a nuclear-weapon free world. India's nuclear doctrine espousing no-first use per se and the non-use of nuclear weapons against non-nuclear weapon States, is itself a minimalist doctrine reflecting our civilisational abhorrence of violence and destruction.

11. India has thus continued to observe a voluntary moratorium on nuclear explosive tests. India is ready to join negotiations on a non-discriminatory, multilateral and internationally and effectively verifiable treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices. On this basis, India had joined the consensus in the 1993 General Assembly Resolution on this subject.

12. It may be recalled that our late Prime Minister Rajiv Gandhi had presented at the 1988 session of the General Assembly an Action Plan for nuclear disarmament within a specific timeframe. To reaffirm India's abiding commitment to the goal of global, verifiable and non-discriminatory nuclear disarmament and to outline concrete steps, towards a nuclear-weapon free world, we hereby present a Working Paper, distributed with my statement, which seeks to:

- | Reaffirm the unequivocal commitment of all nuclear weapon States to the complete elimination of nuclear weapons;
- | Reduce the salience of nuclear weapons in security doctrines;
- | Reduce nuclear danger, including the risks of accidental nuclear war, by de-alerting of nuclear-weapons to prevent unintentional and accidental use of nuclear weapons;
- | Negotiate a global agreement among nuclear weapon States on 'no-first-use' of nuclear-weapons;
- | Negotiate a universal and legally-binding agreement on non-use of nuclear weapons against non-nuclear weapon States;

- i Negotiate a Convention on the complete prohibition of the use or threat of use of nuclear weapons;
- i Negotiate a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their time-bound destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons.

13. The steps mentioned in the paper are not exhaustive nor do they exclude other measures for achieving the same goal. They are also not listed priority-wise nor have any implementation-specific sequencing. We hope that our Paper will spur dialogue among States on both the need and the means to nuclear disarmament.

14. Abiding by your appeal to keep statements short, we propose to utilize the thematic debate to outline our approaches on the issues related to biological weapons, small arms and light weapons and other conventional weapons. For now, we wish only to underline the importance that we attach to the success of the BTWC and CCW review conferences later this year.

15. Meanwhile, I hope the deliberations in the First Committee will meet our expectations and enhance international peace and security.

I thank you, Madam Chairperson.

Working Paper on Nuclear Disarmament Presented to the First Committee of the UN General Assembly at its session on October 6, 2006 by Member of the Indian Delegation to the UN Balasaheb Vikhe Patil.

The international community has long recognised that nuclear weapons pose the greatest danger to humankind and therefore, it is essential for it to take urgent steps towards realisation of the goal of their complete elimination. The UN General Assembly, in its very first resolution, Resolution 1(I) of 1946, adopted unanimously, sought the elimination, from national armaments, of atomic weapons and all other major weapons adaptable to mass destruction and to use of atomic energy only for peaceful purposes, a goal that has been reaffirmed by the General Assembly on several occasions thereafter.

2. The Final Document of the First Special Session of the General Assembly devoted to Disarmament (SSOD-I), the only document on nuclear

disarmament adopted by consensus by all member States, affirmed and accorded the highest priority to the goal of nuclear disarmament and outlined concrete steps to achieve that objective. It pointed out that the achievement of nuclear disarmament would require urgent negotiation of agreements, at appropriate stages, and with adequate measures of verification satisfactory to the States concerned, for (i) the cessation of the qualitative improvement and development of nuclear weapon systems; (ii) the cessation of production of all types of nuclear weapons and their means of delivery and of the production of fissionable material for weapon purposes; and (iii) a comprehensive, phased programme with agreed timeframes, whenever possible, for progressive and balanced reduction of stockpiles of nuclear weapons and their means of delivery, leading to their ultimate and complete elimination at the earliest possible time. It emphasized that in the task of achieving the goals of nuclear disarmament, all nuclear weapon States, in particular those among them that possess the most important nuclear arsenals, bear a special responsibility. It also emphasized that the process of nuclear disarmament should be carried out in such a way and requires measures to ensure that the security of all States is guaranteed at progressively lower levels of nuclear armaments. The principles and objectives, which were agreed by all, remain of continuing relevance and need to be reaffirmed by the international community.

3. The International Court of Justice (ICJ) concluded in 1996 that: “there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control.” The UN Millennium Declaration reiterated the commitment of the Member States of the United Nations to strive for the elimination of weapons of mass destruction, in particular nuclear weapons, and to keep all options open for achieving this aim. Various proposals for nuclear disarmament have since been considered, including in a number of studies ranging from the Canberra Commission to the more recent WMD Commission. The Pugwash Movement and the NGO Community have also made valuable contributions to the nuclear disarmament discourse.

4. The Non-aligned Movement, described as the largest peace movement in history, has always accorded the highest priority to nuclear disarmament. The NAM Summit has recently reaffirmed the Movement’s principled positions on nuclear disarmament and emphasized the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons with a specified framework of time, including a Nuclear Weapons Convention.

5. The international community is far from achieving the objective of the total elimination of nuclear weapons, though there has been some progress in this regard. In particular the Russian Federation and the United States have taken steps to reduce their nuclear weapons stockpiles, and India welcomes such efforts. Notwithstanding these reductions the global threat posed by nuclear weapons has not subsided. In recent years another dimension has been added by the possibility that terrorists and other non-State actors may acquire and use weapons of mass destruction, including nuclear weapons and so-called "dirty-bombs".

6. Despite the end of the cold war, the international security situation is still characterised by lack of trust and political will amongst states to make progress towards the complete elimination of nuclear weapons. The non-nuclear-weapon States have serious concerns about the commitment of nuclear-weapon States to nuclear disarmament. The absence of any reference whatsoever to disarmament and non-proliferation in the 2005 World Summit Outcome underscored this fact. The Final Document of SSOD-I enshrined the essential principle of mutually reinforcing linkage between disarmament and non-proliferation. States that have voluntarily undertaken disarmament and non-proliferation obligations under respective treaties must implement them fully and faithfully.

7. Nuclear disarmament and nuclear non-proliferation are mutually reinforcing processes. Effective, credible and comprehensive system of export controls, which at the same time do not hinder legitimate applications of science and technology for peaceful and developmental purposes, could be building blocks of a move towards universally acceptable non-discriminatory norms and effective international non-proliferation arrangements. Non-proliferation policies must also be forward looking, so as to allow for the expansion of international cooperation in the peaceful uses of nuclear energy for countries desirous of increasing the share of nuclear energy as a non-polluting energy source, in a manner that is safe, secure and proliferation resistant.

8. International efforts in nuclear disarmament would yield tangible results when they are backed by an international consensus. The Conference on Disarmament is the sole multilateral negotiating body on disarmament. The Disarmament Commission is the universal deliberative forum. The UN Charter endows the General Assembly with a responsibility on disarmament matters. The General Assembly must explore the convening of the Fourth Special Session on Disarmament, subject to

consensus on its objectives and agenda. These remain the best fora to enable the emergence of a consensus and to make effective contribution to the goal of nuclear disarmament and the complete elimination of nuclear weapons worldwide.

9. India has played an active role in the international community's endeavours towards nuclear disarmament. India was the first to call for a ban on nuclear testing in 1954 and a non-discriminatory treaty on non-proliferation of nuclear weapons, as distinct from non-dissemination, in 1965. India's proposition on non-proliferation was predicated on the principle that the progressive steps towards elimination of weapons of mass destruction must be based on a balance of obligations between those who possess such weapons and those who do not. In 1978, India proposed negotiation for an international convention that would prohibit the use or threat of use of nuclear weapons. In 1982, India called for a 'nuclear freeze'- a prohibition on production of fissile materials for weapons, on production of nuclear weapons and related delivery systems.

10. In 1988, India presented the Rajiv Gandhi Action Plan to the General Assembly that provided a holistic framework seeking negotiations for a time-bound commitment for the complete elimination of nuclear weapons to usher in a world free of nuclear weapons and rooted in non-violence. This Action Plan was by far the most comprehensive initiative on nuclear disarmament, covering issues ranging from nuclear testing, fissile material for nuclear weapons to a time bound elimination of stockpiles. India, together with 27 other members of the Group of 21, in August 1996, presented to the Conference on Disarmament a Programme of Action, as contained in document CD/1419, for the elimination of nuclear weapons, with a specified time frame. This was further endorsed by the Group of 21 in documents CD/1570 and CD/1571.

11. So long as the States that possess nuclear weapons continue to believe that nuclear weapons constitute a critical element of their security strategy, the goal of the complete elimination of nuclear weapons will remain elusive and distant. Therefore, reducing the salience of nuclear weapons in strategic and security doctrines and policies is essential for realizing the goal of complete elimination of nuclear weapons. Alignment of nuclear doctrines to a posture of 'no-first-use' and non-use against non-nuclear-weapon States by all nuclear weapon States will be an important step towards achieving this objective.

12. The non-nuclear weapon States have persistently sought legally-binding assurances from the nuclear-weapon States against the use or threat of use of nuclear-weapons against them. They have regarded the security assurances provided so far by the nuclear-weapon States as inadequate, conditional and non-binding. Legally-binding assurances on use or threat of use of nuclear weapons against non-nuclear weapon States would further reduce the nuclear danger and mitigate the sense of insecurity among non-nuclear weapon States and, thereby, strengthen the non-proliferation regime. India firmly supports a policy of 'no-first use' and non-use of nuclear weapons against non-nuclear weapon States. India is ready to join multilateral negotiations to enshrine its commitment to no-first-use and non-use of nuclear weapons against non-nuclear weapon States in legally binding agreements. An agreement among the States possessing nuclear weapons on a global 'no-first-use' posture will engender strategic stability and reduce the danger of the accidental or unintended use of nuclear weapons.

13. The international community succeeded in negotiating Conventions on total elimination of biological and chemical weapons mainly because their use had already been prohibited through the 1925 Geneva Protocol and States were prepared to relinquish these weapons as they did not foresee the likelihood of their use or their contribution to ensuring security. There is no reason why nuclear weapons cannot be eliminated in the same manner. A prohibition on the use or threat of use of nuclear weapons would be essential for eventual elimination of nuclear weapons.

14. The General Assembly resolution on a "Convention on the Prohibition of the use of Nuclear Weapons", first presented by India in 1982, requests the Conference on Disarmament to commence negotiations on an international convention prohibiting the use or threat of use of nuclear weapons under any circumstances. The resolution reflects India's belief that a multilateral, universal and binding agreement prohibiting the use or threat of use of nuclear weapons would help generate necessary political will among States possessing nuclear weapons to engage in negotiations leading to the total elimination of nuclear weapons; it would also contribute to mitigation of the nuclear threat in the interim, pending the complete elimination of nuclear weapons.

15. The General Assembly resolution on "Reducing Nuclear Danger" manifests India's conviction that the hair-trigger posture of nuclear forces carries the risk of unintentional, unauthorized or accidental use of nuclear weapons leading to a nuclear war with catastrophic consequences. The very real danger posed by the increased risk of systems and components

falling into the hands of non-State actors or rogue actors within State structures, has further aggravated the existing dangers. Unilateral, bilateral and regional confidence-building measures, could supplement international agreements in reducing nuclear danger as also the risk of accidental nuclear war.

16. Progress towards the goal of nuclear disarmament will require a climate of mutual confidence in the international community to conclude universal non-discriminatory and verifiable prohibitions on nuclear weapons leading to their complete elimination. No effort must be spared in consensus building to this end.

17. We would urge the international community to intensify dialogue, so as to build a consensus that strengthens the ability of the international community to initiate concrete steps towards achieving the goal of nuclear disarmament based on the following elements:

- | Reaffirmation of the unequivocal commitment of all nuclear weapon States to the goal of complete elimination of nuclear weapons;
- | Reduction of the salience of nuclear weapons in the security doctrines;
- | Taking into account the global reach and menace of nuclear weapons, adoption of measures by nuclear-weapon States to reduce nuclear danger, including the risks of accidental nuclear war, de-alerting of nuclear-weapons to prevent unintentional and accidental use of nuclear weapons;
- | Negotiation of a global agreement among nuclear weapon States on 'no-first-use' of nuclear-weapons;
- | Negotiation of a universal and legally-binding agreement on non-use of nuclear weapons against non-nuclear weapon States;
- | Negotiation of a Convention on the complete prohibition of the use or threat of use of nuclear weapons;
- | Negotiation of a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified timeframe.

566. Statement by Member of the Indian Delegation to the UN K. P. K. Kumaran on Agenda Item 122: Scale of Assessments for the Apportionment of the Expenses of the UN in the 5th Committee of the 61st session of the UN General Assembly.

New York, October 9, 2006.

Mr. Chairman,

At the outset kindly accept the congratulations of my delegation on your election as the Chairman of the Fifth Committee. We also extend our felicitations to the other members of the Bureau on their election. We are confident that under your stewardship, the Fifth Committee would undertake constructive deliberations during this session. I assure you of my delegation's fullest cooperation during the discussions that lie ahead.

I would also like to express our appreciation to the Chairman of the Committee on Contributions, Mr. Bernardo Greiver, for introducing the report of the Committee, and to the Chief of the Contributions Services, Mr. Mark Gilpin, for his introduction of the report of the Secretary-General on multi-year payment plans.

My delegation aligns itself with the statement made by the Distinguished Permanent Representative of South Africa on behalf of the Group of 77.

Mr. Chairman,

We support the conclusions of the Committee on Contributions on the applications before it for exemption from the application of the provisions of Article 19. We endorse the recommendation to permit the concerned member states to vote in the General Assembly until the end of the 61st UNGA session.

We have taken note of the Committee's observations on the positive contribution of the multi-year payment plans in encouraging and assisting member states to reduce their unpaid assessed contributions. We acclaim those Member States that are making efforts to meet their obligations under their respective voluntary plans. In particular, we commend Iraq for completing its payments under its multi-year payment plan which has enabled it to free itself from the provisions of Article 19. We also welcome the submission of Liberia's multi-year payment plan. We fully appreciate

the position of those member states in arrears that are not, at this point in time, in a position to submit their multi-year payment plans. It is our solemn duty to stand by these members state in their time of need. In that spirit, we also support Tajikistan's request for writing off its arrears for peacekeeping that accumulated before 2000 in view of the difficulties faced by the friendly people of Tajikistan during that period.

However, there is no justification whatsoever for developed countries to be in arrears.

Mr. Chairman,

My delegation reiterates our common understanding that the financing of our organization is based on the fundamental and inviolable principle of "capacity to pay" of member states. We are conscious that statistics can be utilized by the clever to justify any argument. However, that is not what the United Nations is all about. We strongly believe that the member states must be assessed for their contributions according to their means, so that membership of the United Nations does not become a source of penury and hardship. At the same time, it is also important for the Organization to maintain its financial solvency in order to enable it to perform its mandated tasks. We are, therefore, convinced that the primary source of distortion in the "capacity to pay" principle resides in the 22% ceiling that was imposed on the assessment of one member state to encourage the payment of arrears and thereby improve the financial situation of the United Nations. Six years down the road, time has come for us to assess the impact of that ceiling in achieving its declared goal and to take appropriate measures in the light of that assessment.

The financial well-being of the United Nations is in the interest of all its member states. Accordingly, we call upon all member states to pay their assessed contributions in full, on time, and without conditions; to do so constitutes not only a legal obligation but also a moral one.

Mr. Chairman,

With regard to the methodology of the scale of assessments for the period 2007-2009, we endorse the Committee's recommendation that the scale of assessments for the period 2007-2009 should be based on the most current, comprehensive and comparable data available for Gross National Income(GNI). However, we should be vigilant, that in pursuit of latest data, the criticality of comprehensiveness and comparability of data should not be compromised. We also agree with the Committee's

recommendation that conversion rates should be based on Market Exchange Rates for the assessments for the period 2007-2009, except where that would cause excessive fluctuations and distortions in the GNI of some member states.

On other elements of the scale of assessment, we would like to reiterate that from the point of view of simplicity, technical soundness and smoothening of short-term fluctuations, we prefer a six-year base period. This is particularly so since the present scale, based on an average of the machine scales of six years' and three years' data was merely a compromise, is lacking in technical merit and did not altogether smoothen out short term fluctuations in GNI data. We are also wary about the proposal for annual recalculation as it would, in all probability, be less stable besides being unpredictable and adding to needless administrative costs.

On debt-burden adjustment, we are in favour of the current debt stock approach as it is the true indicator of indebtedness of an economy. In our understanding, a debt is a debt which is a liability and has to be repaid either in the short term or long term. In the same light, we should also examine the appropriateness or otherwise of the current application of the debt burden adjustment to higher income countries.

My delegation believes that the amount of low per-capita income adjustment is an integral part of the scale of assessment process since its inception and it should continue to be distributed only among Member States above the threshold and not among all Member States. My delegation opposes any large scale increases in the rates of assessments of developing countries. Similarly, we are cognizant of the fact that the floor level of assessment was lowered from .01 percent to .001 percent.

Nevertheless, we would be open to examining if this still imposes an excessive burden on some of the smaller Member States. This is especially true for least developed countries and small island developing states.

On the crucial issue of ceiling, we would urge the Committee on Contribution deliberate further to analyze its impact on the scale of assessments of other member states.

Finally, we urge the Secretariat to cooperate with those Member States that have difficulties in collating and submitting national income statistics on time. As a result, in one case, Angola, the assessment has risen by an astronomical percentage. We have to examine how to mitigate

these unreasonable increases, so that member states are not assessed unjustly.

Mr. Chairman,

My delegation looks forward to discussing the above issues in greater detail during informal consultations of this Committee with a view to providing guidance to the Committee on Contributions on the important work before it at its next session.

Thank you Mr. Chairman.

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567. Statement by Member of the Indian Delegation to the UN Ravi Shankar Prasad on Report of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 [Agenda item 72]; & Report of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 [Agenda item 73] at the 61st Session of the United Nations General Assembly.

New York, October 9, 2006.

Madam President,

First of all, I would like to thank the Presidents of both the Tribunals for their Reports to the UN General Assembly.

Madame President,

International criminal law has assumed increased prominence with the creation of the International Criminal Tribunal for the Former Yugoslavia (ICTY) and, later, the International Criminal Tribunal for Rwanda (ICTR).

These were the first international criminal tribunals established since the Nuremberg and Tokyo tribunals of World War II, and because of the manner of their creation, they have faced a great number of political and legal challenges in establishing their legitimacy. In questioning the competence of the Security Council to establish these tribunals, many legal scholars, after an extensive analysis of the *travaux préparatoires*, came to the conclusion that it was not the intention of the drafters of the Charter to endow the Council with such competence. However some scholars rely on other concepts to justify the attribution of legislative functions to the Council, namely, the concepts of “implied powers” and “subsequent practice”.

The concept of implied powers is derived from the idea that organizations or their organs must have the power and competence, which is necessary or essential for the execution of their functions. In the Reparation for Injuries case, the ICJ stated that “under international law, the Organisation must be deemed to have those powers which though not expressly provided under the Charter, are conferred upon it by necessary implication as being essential to performance of its duties”.

This doctrine and Article 29 of the charter under which the Security Council can establish subsidiary organs necessary for its functions, is often used in the context of justifying setting up of ICTY. This doctrine has been also confirmed by the ICTY in the Tadic case. However, this ignores the basic legal *principle nemo dat quod non habet*, which means you cannot give what you don't have. The Security Council has not been assigned any judicial functions under the Charter, therefore under Article 29, or under the concept of implied powers, it cannot set up a subsidiary body entrusting to it the functions which the Council itself does not possess. In so doing the Council did not take a legitimate peace-enforcement measure under any article or articles of Chapter VII, notably under article 41. It took, simply, a law-making (not to mention law-determining and law-enforcing) measure which fell outside its functions under Chapter VII or any other provision of the Charter or general international law.

Madame President,

International humanitarian law requires that trials for violations must be scrupulously fair and consistent with contemporary international standards. Therefore the tribunals, in bringing to justice those who bear the greatest responsibility for serious violations of international law, must ensure that they provide for the highest standards of fair trial.

The purpose of prosecution is to accomplish at least two goals. The first is to punish the guilty. The second is to promote a range of socially desirable results, including deterrence of future offenses and fostering an overall respect for the rule of law. In instances where the cases grow out of profound national traumas, such as civil war or a period of repression, the reassurance of the citizens, promotion of national/ethnic/political reconciliation, and fostering of national catharsis are also seen to be critical goals. Although international prosecutions can perhaps achieve the first goal—punishing the guilty—they are often not equipped to deliver on the others. There is a view that when such “international” prosecutions are undertaken by foreign judicial systems or Tribunals, with little or no connection to the perpetrators, victims, or offenses, they are invariably decoupled from the political, social and economic context of the affected country.

Further, given the challenges associated with investigating and prosecuting international crimes, the international tribunals cannot prosecute all perpetrators. Therefore, strengthening of national judicial systems to prosecute these crimes is extremely essential. Creating effective and lasting legal and judicial institutions that uphold the rule of law is essential for the maintenance of peace. Therefore, the international community must continue to strengthen the national justice system by building local capacity of judicial personnel. This includes the further training and mentoring of the local judiciary, as well as a timetable to gradually introduce local judges and prosecutors into sensitive cases. According to the reports of the tribunals, the ICTY has developed a cooperative relationship with neighboring States and regional institutions, and the ICTR, through its outreach program, has worked on capacity-building by training of Rwandan Jurists, advocates and human rights practitioners through seminars and workshops aimed at strengthening knowledge of international humanitarian law and criminal law. These are commendable efforts. In this regard the establishment of War Crimes Chamber of the State Court of Bosnia and transfer of cases by the Yugoslav Tribunal to this Chamber is a further step in the right direction, though the ICTY should have been set up by the General Assembly.

We hope that both the Tribunals are able to complete their work within the time frames stipulated by the relevant Security Council Resolutions.

Thank you, Madam President.

568. Statement by Member of the Indian Delegation to the UN Ravi Shankar Prasad on Agenda Item 100: Measures to Eliminate International Terrorism at the 6th Committee of the 61st session of the UN General Assembly.

New York, October 11, 2006.

Thank You, Mr. Chairman,

The Agenda item on Measures to Eliminate International Terrorism is of great significance to my country as terrorism remains one of the major threats to international peace and security. It undermines the very foundation of freedom and democracy, enjoyment of human rights and continued existence of open and democratic societies. The annual report submitted by the Secretary General on the implementation of Para 10 of the "Declaration on Measures to Eliminate International Terrorism" presents measures taken at the national and international levels for the prevention and suppression of international terrorism as well as information on incidents caused by international terrorism. We thank the Secretary General for this useful report. We would also like to thank Ambassador Rohan Perera for his report on the meeting of the Ad Hoc Committee established by General Assembly Resolution 51/210.

Mr. Chairman,

We are convinced that terrorism in all its forms and manifestations, irrespective of its motivations is a criminal and unjustifiable act. It cannot be condoned or accepted as legitimate in any situation. Justifications on diplomatic political, religious, philosophical or any other grounds remain untenable. The 1994 Declaration is most categorical in this respect and provides that no considerations of political, philosophical, ideological, racial, ethnic, religious or any other nature could justify criminal acts intended or calculated to promote a state of terror in the general public. This principle is also reiterated in several conventions against terrorism.

In recent months my country has again been subject to horrific terrorist attacks. In July, simultaneous bombings in 7 trains in Mumbai and elsewhere in India claimed more than 200 lives and injured more than 1000. Thereafter a bomb attack near a place of worship killed 35 people. These bombings were clearly designed to spread terror among common people, harm economy and trigger communal clashes. It is a measure of good sense and resilience of ordinary people that the attempt failed. This

senseless killing of innocent civilians in my country and elsewhere reinforces the continuing importance of strong international resolve and a coordinated global approach to confront the threat posed by terrorism.

Mr. Chairman,

In April this year, the Secretary General in his report titled “Uniting against Terrorism: Recommendations for a Global Counter Terrorism Strategy”, provided the Assembly with recommendations for a collective global effort to fight terrorism, especially in developing State capacity to defeat terrorism and defend human rights. On the basis of this report the General Assembly, vide its resolution 60/288, adopted the United Nations Global Counter Terrorism Strategy which was launched at a high level segment at the beginning of the 61st Session. The strategy, in the form of a resolution and a plan of action, includes practical measures of implementation at the local, national and international level – ranging from strengthening the capacity of individual States to preventing and combating terrorism, to ensuring that human rights and the rule of law are always respected in the fight against terrorism. The strategy makes clear that it is important to consistently, unequivocally and strongly condemn terrorism in all forms and manifestations, committed by whomever, wherever and for whatever purposes.

We trust that the condemnation of terrorism in all its forms and manifestations in the Strategy would signal the will of the international community that it would no longer tolerate the actions of the sponsors of terrorism or of those who wilfully fail to prevent terrorists from utilising their territories for moral or material shelter. We hope that the strategy would provide the impetus that unites the international community in its global fight against terrorism through practical measures that facilitate cooperation by way of extradition, prosecution, information flows and capacity building.

Mr. Chairman,

As regards the Comprehensive Convention against International Terrorism, notwithstanding the setback of not meeting the timeline set by the World Summit Outcome Document for concluding the convention, we continue to believe that agreement on the draft convention is attainable. The call for early conclusion of CCIT was reiterated by practically all the dignitaries in the general debate this session. A meeting is necessary to work for early conclusion of the CCIT. We must now work together for its finalization and adoption. We sincerely hope that, in a spirit of mutual

accommodation and flexibility, Member States would respond constructively and help in the early conclusion of the Comprehensive Convention so that our mandate of completing the legal framework of conventions aimed at combating international terrorism can be brought to a successful close. We may determine whether appropriate reference to international humanitarian law could meet the pending concerns.

On the question of convening a high level conference under the auspices of United Nations, we reiterate our view that the conference should be convened only after the conclusion of the draft comprehensive convention against international terrorism.

Mr. Chairman,

We attach great value to the comprehensive legal framework that the UN General Assembly has successfully established in the field of counter-terrorism. The 13 UN Conventions and Protocols remain fundamental tools in the fight against terrorism. In this regard we also note the "Report of the Secretary General on strengthening international cooperation and technical assistance in promoting the implementation of the universal conventions and protocols related to terrorism within the framework of the activities of the United Nations Office on Drugs and Crime". We appreciate the growing activities of UNODC in counter terrorism efforts, especially its technical assistance activities at the national, sub regional and regional levels, within the framework of its global project on strengthening the legal regime against terrorism. We are pleased to note that its work has contributed significantly to increasing the number of countries that have ratified all twelve universal legal instruments relating to terrorism. We understand that the focus of the technical assistance activities of UNODC is shifting from the phase of ratification support to the phase of legislative implementation and support for national counter terrorism capacity building for criminal justice systems. We therefore, support increased resource allocations for UNODC counter terrorism activities from the United Nations regular budget and voluntary contributions.

Thank You, Mr. Chairman

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569. Statement by Member of the Indian Delegation to the UN K. P. K. Kumaran on Agenda Item 30: International Cooperation in the Peaceful Uses of Outer Space at the 4th Committee of the 61st session of the UN General Assembly.

New York, October 12, 2006.

Mr. Chairman

My delegation is pleased by the progress achieved by the Committee on the Peaceful Uses of Outer Space (COPUOS) at its 49th Session. The effective utilization of space systems for national development is crucial for all developing countries to make rapid and substantial progress. Conceiving specific application programmes to address the societal problems at the grass roots level is of utmost importance. Towards this goal, COPUOS has been providing the right platform for encouraging countries to take up space application programmes for the benefit of mankind. We are also pleased to note that COPUOS, under the mandate of the General Assembly, is contributing significantly to maintaining Space peaceful as well as international, thus serving the interests of all the countries. We would like to congratulate Dr. Brachet of France for successfully guiding the deliberations of the 49th session of COPUOS.

Mr. Chairman,

2. We would also like to congratulate USA on the successful return to flight mission of the Space Shuttle and also on the silver jubilee of the Space Shuttle. The successful launch of its New Horizon spacecraft to Pluto is another important space effort. We also congratulate the Peoples Republic of China on its second successful Manned Mission flight during October 2005.

Mr. Chairman,

3. Developing countries today face a number of challenges in terms of improving their Agriculture, Water Resources Management, eradicating illiteracy, providing better education to their people, improving Public Health Services and providing timely disaster management support. To meet these challenges we need to strengthen the capabilities of Member States, especially developing countries, to use the results of space research for economic, social and cultural development.

4. The UN Programme on Space Applications has played an important role in implementing the recommendations of the UNISPACE-III, particularly in improving the capacity building of developing countries to apply space technology to support sustainable development efforts.

Mr. Chairman,

5. Maximizing the benefits of existing Space capabilities for disaster management support has been one of the important agenda items of the COPUOS. We would like to convey our appreciation of the achievement made during the 49th session of COPUOS in recommending establishment of a "United Nations Platform for Space based Information for Disaster Management and Emergency Response", named SPIDER. We are happy that the entity is proposed to be implemented as a Programme of the Office of Outer Space Affairs, UN-Vienna, and will function as an open network and the activities would be planned and carried out in a coordinated manner through the consolidation of a network of regional support offices.

6. India strongly supports the establishment of an Entity for Space Systems Based Disaster Management Support named as SPIDER. The Indian Delegation is of the view that the use of Space based systems to address disaster management issues, so as to benefit the affected population in a timely manner, would require proper integration of the Space and Ground based segments.

Mr. Chairman,

7. In India, the space programme evolved to provide for the socio economic development of the country. This led to specific user driven application programmes through the use of remote sensing, meteorological and communications satellite systems. Let me briefly present to this committee, the significant achievements made by India in the Space field.

8. An important milestone during the year has been the launch of India's most advanced communication satellite INSAT-4A, intended mainly for meeting the demand for Direct-to-Home television broadcasting requirements. It carries 12 high power Ku-band and 12 C-band transponders. Recently, the satellite has been commissioned and has been put into regular service.

9. Space Application programmes have witnessed the advent of several newer initiatives. Over the year, a number of Tele-Education, Tele-Medicine and Village Resource Centre networks got commissioned and

improved the outreach of important socio-economic initiatives in India. In the area of Tele-education, more than 8000 EDUSAT classrooms have been created and over 200,000 students have benefited from using the Tele-education network. The system has been used for imparting training to teachers and nurses as well. Similarly, we have successfully expanded ISRO's Tele-Medicine network over the past year. It now consists of 176 hospitals of which 142 hospitals in remote and rural areas levels have been connected to 34 Super Specialty hospitals in the major cities.

Mr. Chairman,

10. India attaches high importance to the use of Space based systems for water and forest resources management. Presently, remote sensing data has been effectively put to use for a number of water based applications, which includes Irrigation Water Management, Snow & Glacier studies, Surface water bodies mapping/monitoring, Ground water prospecting and recharging. Similarly, remote sensing data is being used extensively to generate forest cover maps for monitoring forest cover changes and planning conservation measures.

11. Adding another dimension to the effective use of Space-enabled services for societal benefit has been the initiative of ISRO in creating Village Resource Centres (VRCs). VRCs are envisaged as single window delivery mechanism for a variety of space based products and services, such as Tele-education, Tele-medicine, information on natural resources for planning and development at local level, interactive advisories on agriculture, fisheries, land and water resources management, livestock management, etc. It is planned to set up at least 100 VRCs across the country by the end 2006.

12. In addition, other major Space Application programmes such as Crop Acreage and Production Estimate, forecasting of Potential Fishery Zones, and creating national inventory on wastelands were continued during the year.

Mr. Chairman,

13. ISRO takes special interest in providing expertise and services for helping developing countries in the application of Space technology. The Center for Space Science and Technology Education for Asia and Pacific Region, affiliated to UN and operating from India, is an initiative in this direction. The Center has carried out 22 Postgraduate programmes of nine months duration, besides organizing a number of short-term courses/

workshops. So far 643 scholars from 46 countries have benefited from the educational activities of the center.

Mr. Chairman,

14. A connectivity mission has been launched between India and the countries of the African Union to provide for Tele-education, Tele-medicine, e-governance, e-commerce, infotainment, resource mapping and meteorological services. The network consists of five regional universities, 53 learning centres, five regional super specialty hospitals, and 53 remote hospitals in all the countries of Africa. The network will be linked to six universities and five super specialty hospitals in India. As part of this Pan-African network, a pilot project has already been implemented in Ethiopia. It is planned to subsequently link Ghana and Seychelles.

Mr. Chairman,

15. India has been an active member of COPUOS since its establishment. It has participated in many global co-operative programmes such as remote sensing, space based disaster management, Tele-medicine and Tele-education.

As a member of the International Charter "Space and Major disasters" it has contributed significantly to disaster response and provided timely assistance during earthquakes, floods, forest fires, etc.

16. The effective utilization of space application programmes is very important for the overall prosperity and development of a nation. With increased dependence on and use of space-based systems, it should be everyone's responsibility to maintain the outer space exclusively for peaceful purposes. Recently there has been a trend towards making high resolution imageries of sensitive areas of all countries available on the internet freely and in an unrestricted manner. Keeping in mind the present security threats that every nation is facing, including from terrorists and their organizations, it is of utmost importance to quickly evolve policy guidelines to regulate the availability of such sensitive data in the public domain.

Mr. Chairman,

17. The integrated and application driven space programme pursued by ISRO has benefited and enhanced the quality of life in India. We are satisfied that the UN Programme on Space Applications, while addressing matters related to capacity building for gainful utilization of Space Application

Programmes in developing countries, will also play an enhanced role in keeping outer space peaceful as well as international, and thus serve the interests of present and future generations.

Thank you, Mr. Chairman.

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570. Statement by Member of the Indian Delegation to the UN Mabel Renello on Agenda Item 62: [A] New Partnership for Africa's Development: Progress in Implementation and International Support [B] Causes of Conflict and the Promotion of Durable Peace and Sustainable Development in Africa and Agenda Item 48: 2000-2010: Decade to Rollback Malaria in Developing Countries particularly Africa at the 61s session of the UN General Assembly.

New York, October 12, 2006.

Madam President,

We thank the Secretary-General for his fourth consolidated report on the progress in implementation and international support of the New Partnership for Africa's Development [NEPAD], and other reports prepared for this joint debate.

We associate ourselves with the statement made by the distinguished Representative of South Africa on behalf of the G-77.

Madam President,

India has consistently identified with the aspirations of the peoples of Africa and has maintained long-standing political relations with that the countries of that continent. It was in South Africa that Mahatma Gandhi forged the political weapon of "Satyagraha" or "non-violent struggle of passive resistance". His exposure to injustice in Africa transformed an urbane lawyer into an icon for peaceful and non-violent struggle that evolved into India's struggle for independence. South African President Thabo Mbeki described Mahatma Gandhi as "the beloved son of South Africa" at the centenary celebrations on the launching of "Satyagraha" recently held in

South Africa. India's first Prime Minister, Jawaharlal Nehru, speaking at the Afro-Asian Conference at Bandung in 1955, described Asia and Africa as "sister continents". Like the countries of Africa, India suffered the burdens of colonial domination, economic exploitation and racial discrimination. Even though our own deprivation was considerable, we realize that Africa's tribulations were even greater. India has, therefore, always been a strong and consistent voice in support of Africa, at the UN and elsewhere.

Madam President,

It is our firm conviction that success in achieving the objectives of NEPAD depends on an African-led and Africa-developed agenda. With the rich human and natural resources available to Africa, and the commitment of Africa's leaders to achieving the objectives of NEPAD, success can be achieved if NEPAD receives the dedicated support of the international community in realizing the African dream.

The report of the Secretary-General (A/61/212) provides details of the progress made in the various priority areas of NEPAD and analyses the response of the international community in support of NEPAD. The report states that while the past year has witnessed a promising start to delivery on commitments, progress has been more marked on debt relief than on ODA and trade. It is heartening that the trend of significant increases in ODA to Africa continued in 2004 and 2005. However, much of the increase in 2005 was on account of huge debt write-offs. The report states that a massive collective increase in ODA is required in 2006 and thereafter to meet the 2010 commitments, but that the level of increase is not nearly fast enough to deliver on the pledges made at the Gleneagles G-8 Summit in 2005. The report adds that the observed increase continues to take the form of emergency aid, debt relief and technical assistance.

The Secretary-General's report acknowledges that the substantial progress over the last twelve months in debt relief makes this an area in which the G-8 countries have kept their commitments. We would emphasize here that the multilateral debt relief initiative of donor countries include a commitment to provide additional resources to the International Financial Institutions to ensure that debt forgiveness does not erode their financial capacity.

Reports on Africa have emphasized that aid should be released in predictable tranches over a long-term period and should be focussed on enabling African economies to produce a broad range of goods and to

create more jobs. For the success of the international community's current focus on the special needs of Africa, and to avoid the damage done to African countries through the austerity measures brought in by the IMF dictated structural adjustment programmes of the past, it is necessary that African countries be allowed to implement their national development policies with national ownership and given policy space instead of imposition of intrusive policy conditionalities.

Madam President,

While ODA and debt relief can ease the financial burdens, especially in highly indebted countries in Africa, sustained economic growth would require longer-term measures including in the area of trade. The report of the Secretary-General recommends that initiatives such as "aid for trade" must complement and not substitute efforts to improve market access for African exports and to strengthen Africa's participation in world trade.

In this context, the suspension of the Doha Round of trade negotiations is a cause of concern. An early resumption of the trade talks along with adherence to the existing mandate, i.e., the mandate of the Doha Declaration, the July Framework and the Hong Kong Ministerial Declaration is an absolute imperative.

The report of the Secretary-General recalls that at the Hong Kong Ministerial Trade Talks, agreement was reached to eliminate export subsidies by developed countries on cotton in 2006 and to end all forms of agricultural export subsidies by the end of 2013 with a substantial portion to be lifted by 2010. The report also points out that export subsidies represent only a small share in the support given to agriculture in OECD countries. Much of the support is in the form of trade-distorting domestic price support and agricultural tariffs. Failure to resume the Doha Round of Trade Talks has negative implications for the large number of poor and marginal farmers, on their food security, livelihood security and rural development in developing countries, especially those with subsistence farming.

Madam President,

The report of the Secretary-General highlights India's cooperation with NEPAD as a part of South-South Cooperation. It also highlights the projects being undertaken by India in infrastructure, IT and other areas through the Techno Economic Approach for Africa-India Movement, or

TEAM-9. In addition, India is engaged in several other bilateral initiatives in a number of African countries as well as a pan-Africa e-connectivity mission. India has shared its expertise in sectors such as infrastructure, pharmaceutical, healthcare, and IT, among others, with the aim of building capacity and technology transfer for the benefit of African countries. The Indian Technical and Economic Cooperation (ITEC) scheme, which provides training programmes to over 150 countries including most African countries, has been running since 1954, providing scholarships to African students interested in studying in India and sending Indian experts to Africa for provision of training. India's cooperation programme with Africa currently amounts to about US\$ 1 billion. India's efforts, or those of other partner countries from the developing world, are a part of South-South Cooperation. Contrary to the suggestion of the Advisory Panel, these should not be clubbed with the efforts of the developed countries, either in calculations of volume of aid moving to Africa or for monitoring of such aid.

Madam President,

The Secretary-General's report on the causes of conflict and promotion of durable peace and sustainable development in Africa (A/61/213) describes the recent conflict prevention, peacemaking, peacekeeping and peace-building activities in Africa. India has been one of the oldest, largest and most consistent contributors of UN peacekeeping organizations, having participated in almost every major operation since the inception of peacekeeping in 1950s. Indian personnel are currently serving in UN missions in Ethiopia, Eritrea, Burundi, Congo, Cote d'Ivoire, Sierra Leone and Sudan. Given Africa's focus on gender issues, India would soon despatch the first-ever Female Formed Police Unit (FFPU) to Liberia. We expect the all-women unit to be in Liberia by the end of the year.

India has consistently pointed to the need for an integral link between peacekeeping and peace-building, which is a prerequisite investment in the future to protect the hard won gains of the efforts to establish peace. India therefore energetically participated in the deliberations last year for the establishment of the Peace-building Commission and welcomed its establishment by announcing a contribution of US \$2 million. We have emphasized national ownership of the peace-building process and been closely associated with the holding of the first two country specific meetings of the PBC. We will remain engaged with efforts to define the role and method of work of the PBC.

Madam President,

Turning to the agenda item on rolling back of malaria in developing countries, particularly in Africa, we believe that there is need for wider recognition that malaria is largely a killer of children and poor people. It continues to threaten at least 3 billion people in 107 countries and territories.

Each year more than 500 million people suffer from acute malaria, resulting in more than one million deaths. About 3000 children and infants die from malaria every day. Malaria also has a significant impact on long-term economic growth and development, leading to loss of gross domestic product, consuming enormous portions of household incomes and government health spending. India is familiar with tackling the mosquito menace and fully supports efforts that focus on the prevention and elimination of malaria in developing countries, including those in Africa.

Thank you, Madam President.

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571. Statement by Member of the Indian Delegation to the UN Tariq Anwar on Agenda Item 80: The Rule of Law at National and International level at the 6th Committee of the UN General Assembly.

New York, October 17, 2006.

Thank You Mr. Chairman,

First I would like to thank the delegations of Liechtenstein and Mexico for proposing this important subject for inclusion in the agenda of the Sixth Committee.

The rule of law is often advanced nowadays, as a solution to abusive governmental power, economic stagnation and corruption. It is considered fundamental in promoting democracy and human rights, free and fair markets and fighting international crimes and terrorism. It is also seen as an essential component of promoting peace in post-conflict societies. The rule of law may therefore have a different meaning and a different content depending on the objective it is seeking to achieve.

At the national level, in the context of democratic societies, the rule

of law is perceived as strict adherence to a set of specific rules that are enforced by an independent judiciary. In addition, those norms should not only be procedurally fair but also conform to a set of higher norms predicated either by international treaties or principles of natural justice.

There is sufficient reason to seriously examine the concept of the rule of law as it functions at the national level and to explore ways of understanding the rather new internationalised context within which it operates today. In this regard it is essential to point out that supranational institutions which are set up to promote rule of law should themselves also be in accord with systems of democratic accountability presupposed by the rule of law. This applies inter-alia to the United Nations and international financial and trading institutions. This also means that, in accordance with the UN Charter, development of international law is a function of the General Assembly and not the Security Council.

Mr. Chairman,

As regards the application of this concept to implementation of international obligations undertaken in international conventions, the existence of appropriate national legislation embodying international obligations is a prerequisite for accrual of optimal benefits to a country from the use of a particular international regulatory regime. It helps to strengthen the linkages between municipal law and international law, as well as promotes international law.

The setting up of a rule of law assistance unit having a broad mandate would be useful in this context. The dissemination of regular information about actions taken by the General Assembly and other international organizations would be helpful in identifying and evaluating new trends in international law, such as the appearance of guidelines, recommendations and other "non-enforceable" texts. This so-called "soft law" often plays a significant role in the development of contemporary international law and in strategic efforts to amend it.

The provision of information on treaty actions and other relevant developments would help, for example, in areas like the law of the sea. There are many UN agencies, international and regional organizations that have a mandate either wholly or partly relating to the law of the sea. This dispersal of authority leads to overlap and poses a challenge to cooperation and coordination. All these bodies have important legislation: hard law in the form of treaties, protocols as well as numerous soft law instruments in

the form of memoranda of understanding, codes, guidelines, plans of action, and non-binding resolutions. These hard and soft law instruments cover a broad range of issues related to the law of the sea: safety of navigation; international fisheries; carriage of dangerous goods; protection of the marine environment; prevention and punishment of crimes at sea, etc. The advantages of having focused information in this field from one source are self evident.

Mr. Chairman,

As regards the 'technical assistance' aspect of the proposed rule of law assistance unit, the coordination functions of the unit would be crucial. It would have to operate in a manner so that its functions do not replicate the functions already being performed by various specialized agencies and organizations of the UN.

In this regard it may be recalled that practically all international organizations have technical assistance programmes whereby these organizations, in their respective fields, undertake law reform assessments to assist governments, legislative organs and other authorities in developing countries in inter-alia drafting of national legislation to implement specific conventions and organize training activities to facilitate the implementation and interpretation of the concerned legislation by judiciaries and legal practitioners. UNCITRAL, UNCTAD, UNEP and UNODC to name a few, all have well developed technical assistance programmes.

However, for several organs and bodies like ICJ, and other Courts, International Law Commission etc., there is presently no institutional examination and dissemination of information about their activities and impact on development of international law. The proposed unit can help fill that gap.

Thank You, Mr. Chairman

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572. Statement by Member of the Indian Delegation to the UN Anil Basu on the Thematic Debate on Conventional Weapons, Small Arms and Light Weapons and CCW at the First Committee of the 61st session of the UN General Assembly.

New York, October 17, 2006.

Madam Chairperson,

If the entire spectrum of weaponry that is the focus of disarmament and arms control measures was to be placed within a pyramid, it would have a three-tiered structure. Nuclear weapons, our foremost priority, will constitute the top of the pyramid, followed by chemical and biological weapons at the middle layer. But the broadest part of the pyramid will be made up by conventional weapons and small arms and light weapons.

While it is vital to address the apex of the pyramid, its base constitutes a larger, more contingent concern, affecting directly a large mass of people afflicted by conventional conflict.

Unregulated and illicit trade in conventional weapons and small arms and light weapons are continuing to have devastating consequences. The direct costs include death, injury and trauma and the cost of caring for the wounded and disabled, not to speak of the destruction of the civilian infrastructure. The indirect costs include displacement, destitution and prolonged underdevelopment. The proliferation of illicit trade in small arms and light weapons gravely endangers the security of States, disrupts their social harmony and hampers growth and development. The ready availability of illicit weapons fosters organised crime, drug trafficking and illegal exploitation of natural resources. It promotes sectarian violence, insurgency and terrorism.

India is, therefore, strongly committed to the full and effective implementation of the UN Programme of Action on Preventing, Combating and Eradicating Illicit Trade in Small Arms and Light Weapons. It is a good augury that we now have an international instrument containing vital commitment by UN Member States to mark all small arms and light weapons according to universal standards and cooperate with each other in tracing illicit ones. We now hope for similar cooperative action in other related areas concerning small arms, including on brokering and the prohibition of transfer of weapons to non-State actors, including terrorists.

We believe future biennial meetings of States would provide a welcome opportunity to take stock of national implementation of the UNPOA. The General Assembly could, thereafter, consider further practical steps required to strengthen and promote its implementation.

India's approach to disarmament and international security is guided by a strong commitment to international humanitarian law, of which the Convention on Certain Conventional Weapons is one of the principal instruments. India is among those 20 States Parties that adhere to the entire CCW package – the Convention, Amended Article I, and all five Protocols, including AP II. We support the draft Plan of Action, to be adopted at the forthcoming Review Conference, stipulating seven action points for promoting the universality of the Convention. India also favours strengthening the Convention through a compliance mechanism. Besides, we support the creation of a sponsorship programme to facilitate enhanced participation from mine and ERW-affected States Parties in CCW-related meetings. This may also broaden awareness about the Convention and help in promoting its universalization.

The CCW Review Conference next month will be a significant event. We are happy that Protocol V on Explosive Remnants of War will enter into force on 12 November, coinciding with the Review Conference. The Protocol provides for post-conflict remedial measures of a generic nature in order to minimize the risks and effects of ERW. It includes generic preventive measures aimed at minimizing the occurrence of ERW. It is intended to eradicate the threat that unexploded ordnance and abandoned explosive ordnance pose to the civilian population. India is among those 23 countries that have already ratified the Protocol. India also steered the work of the Working Group on ERW for two years.

Our policy on land mines use is regulated by an abiding concern for protection of civilian life from the threats posed by irresponsible use of mines other than anti-personnel mines, including improvised explosive devices. During the last four years of work carried out by the Group of Government Experts. India has contributed constructively to the process of finding common grounds on the whole range of issues. These include the technically complex issues of detectability and active life of MOTAPM. We have a forward-looking approach. We believe that, even on the contentious issues, a balanced approach could accommodate national security imperatives, humanitarian requirements, financial costs and technological constraints. We also believe that a future instrument on

MOTAPM will supplement the existing instruments on anti-personnel mines in addressing humanitarian challenges in a more comprehensive manner.

India is conscious of the humanitarian risks resulting from the indiscriminate use and transfer of anti-personnel mines. We, therefore, support the humanitarian objectives of the Anti-Personnel Mine Ban Convention. At the same time, we recognize the limitations of this Convention in not addressing national security concerns of States with long land borders, where minefields at frontiers will continue to form an important component of defence in times of conflict. While our security requirements necessitate the use of anti-personnel mines, these are used in accordance with internationally acknowledged security norms and safety parameters. We are in favour of strengthened cooperation in mine clearance, including unrestricted transfer of mine clearance technology, equipment and training; risk education; rehabilitation; victim assistance and socio-economic betterment of mine-affected communities.

In the field of conventional disarmament, we believe that an enhanced level of transparency will contribute greatly to confidence building and security amongst States. It could also help in the detection of arms transferred illegally. India has supported the UN Register of Conventional Arms as an important confidence building measure and has submitted annual reports on the export and import of conventional arms. We note that the Register has evolved through the triennial reviews carried out by the Group of Governmental Experts. We are happy that at the latest review in July 2006, the Group recommended that States that wished to do so could also report their transfer of small arms and light weapons to the Register on the basis of an optional standardized form. It also recommended a lower reporting threshold for warships and submarines. These are welcome steps.

We shall continue to work towards steady progress in the areas of conventional disarmament, small arms and light weapons and the CCW process. In particular, we hope to have a positive and forward-looking outcome of the CCW Review Conference in Geneva in the coming month.

I thank you, Madam Chairperson.

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573. Statement by Member of the Indian Delegation to the UN Raghunath Jha on Agenda Item 34: Question Relating to Information at the 4th Committee of the 61st session of the UN General Assembly.

New York, October 17, 2006.

Mr. Chairman,

The Indian delegation welcomes this opportunity to comment on the topic of "Questions relating to Information". Through his statement yesterday, Under-Secretary-General Shashi Tharoor has set the tone for a lively debate, and I would like to congratulate him for the dynamic leadership that he has provided to what is now a restructured and revitalized Department of Public Information (DPI). I would also like to associate my delegation with the statement made by the distinguished representative of South Africa, as the G-77 Chairman.

Mr. Chairman,

The UN stands at the threshold of a new era, with a variety of opportunities and threats on its horizon. The DPI has a pivotal role to play at this sensitive stage, since it is the conduit for the flow of information between the UN, member states, media, civil society and the public at large. We welcome the DPI's four strategic objectives: targeted delivery of public information, enhanced use of the new information and communication technologies, increased partnerships with civil society and integrating a culture of evaluation. The DPI will be measured by its success in meeting its goals within limited resources.

Mr, Chairman,

DPI must intensify its efforts to meet the concerns and special needs of the developing countries in the field of information and communications technology. The 'digital divide' remains vast; huge segments of populations in developing countries continue to be deprived of the benefits of the information and IT revolution. Traditional means of communication, including radio and print, retain tremendous relevance for disseminating the UN message in developing countries. In this context, we encourage the use of combination of traditional means such as print and radio, and new information and communications technologies, such as internet and web-casting by DPI. We have noted Department's efforts to strengthen and

expand its partnership with international broadcasters, especially in the developing world. In this context, we welcome United Nations Radio Website programming including Hindi, Bengali, Urdu.

The role of United Nations Information Centres [UNICs] in disseminating information about the aims, objectives and activities of the United Nations, especially in developing countries, is critical. Adequate budgetary resources must be reassigned to secure effective functioning of UNICs. We have noted in the latest report of the Secretary-General that DPI is taking measures to integrate the network of UNICs into its overall communications strategies and work plan. We would encourage DPI to consult closely with host countries, other countries served by these Information Centres, as well as the concerned region, in its efforts at further improvisation and innovation. The geographical, linguistic and technological characteristics of the various regions need to be taken into account. Development of websites in local languages must also remain a primary DPI concern as it seeks to provide up-to-date information in the field.

We welcome DPI's effort to develop and refine its global communications strategy in support of United Nations peacekeeping operations. It is encouraging to note that DPI and DPKO brought together Chiefs of Information from 18 UN Peacekeeping and Political Missions along with a large number of Headquarters personnel in April this year for a dialogue on the way public information is conducted in the field and how it is supported at Headquarters. The two Departments, particularly need to work together and highlight success stories of peacekeeping and the role of peacekeepers in their areas of operation. The local challenges facing the peacekeeping operations in number of its missions like UNIFIL, UNMEE, UNMIS, etc. must not be under-estimated. By appropriate projection, the DPI could go a long way towards creating goodwill and a better image for the United Nations and its peacekeepers. We support involving DPI right from the initial stages of PKO's through interdepartmental consultations and coordination, particularly with DPKO.

Mr. Chairman,

Some of the other important issues contained in the report of the Secretary-General pertain to the UN Website; outreach activities; academic initiatives and culture of evaluation. We would like to congratulate the DPI for the impressive strides made in development of the UN Website, an important resource-base for the UN family as well as for the wider public. In particular, we compliment recent improvements in its website that ensure

accessibility for persons with disabilities. We also note with interest the UN Chronicle's efforts to develop co-publishing partnerships and collaborative educational activities as well as the publication of the 58th Volume of Annual Yearbook of the United Nations, an authoritative reference book on United Nations.

We laud the efforts by DPI to reach out to specialized target audiences such as Non-Governmental Organisations, research institutions, libraries and academic communities. We welcome the Global Teaching and Learning project and accompanying CyberSchoolBus website, which has recorded hundred per cent increase from last year. We continue to favour DPI efforts to strengthen its focal point role for interaction with civil society.

We have noted with interest the continuing promotion and refinement of a culture of evaluation and performance and DPI becoming the first UN Department to institute an Annual Programme Impact Review, as a self-evaluation tool. Training of staff to constantly review the impact of their work is a natural follow-up to this emphasis on evaluation. It is good that DPI is constantly exploring new ideas in this regard.

In closing, Mr Chairman, we fully agree with the Secretary-General that DPI's success will always be measured by how convincingly it tells the United Nations story and how well it connects with its constituents: member states, media, civil society and the public. I would like to assure our support to the DPI team in tackling the formidable task before it.

Thank you, Mr. Chairman.

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574. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 50: Macroeconomic Policy Question: [A] International Trade and Development at the 2nd Committee of the 61st session of the UN General Assembly.

New York, October 17, 2006.

Madam Chairperson,

We would like to thank the Secretary-General and the UNCTAD for the detailed reports submitted under the agenda item on "International trade and development". We associate ourselves with the statement made by the distinguished representative of South Africa on behalf of the Group of 77.

Madam Chairperson,

The negotiations launched at Doha, and its elaboration through the July framework and the Hong Kong Ministerial Declaration, are intended to secure a pro-development outcome for developing countries and at the same time to render the international trading system more open, based expressly on fair and equitable rules and disciplines. It is no accident, but by agreed intent, that we have called it the "Doha Development Agenda" and not a market access round.

The imbalances in the international trading system remain entrenched. The Uruguay Round has not unshackled the chains that tie down the family farms, the small and marginal producers of industrial goods and the professionals and services providers in developing countries. The international trading system is full of inequities - no real reductions in agricultural subsidies by the developed countries have resulted, while "real" market access in products of export interest to developing countries remains impeded by tariff peaks, escalations, specific duties, and non-tariff barriers; discouraging industrialisation in the developing countries. Besides, it is estimated that non-tariff barriers cost the developing countries over US \$100 billion, almost twice the current level of Official Development Assistance. The WTO is not about free trade alone. The Secretary-General has rightly observed that 'the suspension of Doha Round has caused significant uncertainty on the negotiations and may have major implications for the international trading system', and by implications on the prospects for economic growth and development of the developing countries. The

Secretary-General has also reminded us of the need for an appropriate balance between national policy space and international disciplines and commitments. For defending livelihoods, sovereignty of the state is important and disciplines that erode the autonomy of policy space need to be reformed.

The impasse in WTO trade negotiations is disappointing. The report of the Secretary-General has stressed the need for early resumption of the suspended talk so that the compact in the Doha Ministerial Declaration to place needs and interests of developing countries at the heart of Doha Round can be carried to a positive, development-oriented outcome. Early resumption is desirable but adherence to the existing mandate – that of the Doha Ministerial Declaration, the July Framework Agreement and the Hong Kong Ministerial Declaration - is imperative.

Madam Chairperson,

Agriculture is not only about trade; it has vital development ramifications. The developing countries represent over 90% of world farmers; the developed countries have more than 50% of the World's agricultural trade but only 2% of the farmers - the reason is their huge agricultural subsidies that enable the State at the expense of the resource-poor and subsistence farmers of developing countries. Food security and rural livelihood are of immense economic relevance and have a socio-political dimension in many developing countries. When agriculture was brought into the multilateral trade negotiations, then developing countries had been given a clear understanding that trade distorting agriculture subsidies would be phased out in a definite timeframe. The anticipated gains from agricultural reform by developed countries have till now eluded the developing countries. Moreover, the current impasse, which is also characterized by demands for reduction of de minimis payments and linking the issue to market access under NAMA, amounts to "canceling the spirit of Punta del Este". Minimizing the vulnerabilities of the poor farmers must be our collective priority.

Demanding market access from developing countries, which displace low-income and subsistence farmers to satisfy commercial interests, cannot be supported. Proportionately lower overall tariff reduction commitments and operable and effective development instruments of Special Products and Special Safeguard Mechanism are the essential components of securing food security, livelihood security and rural development needs of developing countries. The overarching principle of special and differential

treatment, therefore, remains a categorical imperative, and is the underlying basis of the position of developing countries.

In the context of non-agricultural sector, some striking statistics have been provided in the report of the Secretary-General. It has quoted UNCTAD estimates, which suggest that global welfare gains from non-agriculture market access liberalization could be of the order of US \$20 billion to US \$60 billion annually and that developing countries could potentially enjoy about two thirds of these gains. The report is, however, cautious and has stressed the importance of flexibilities for developing countries to enable them to protect industries they consider important. The liberalisation of trade in non-agricultural products could lead to shifts in output and employment in key sectors in developing countries, resulting in job and revenue loss for many of them. It is, therefore, particularly important for developing countries to protect sensitive tariff lines in the small scale and employment intensive sectors of the economy and to preserve the autonomous liberalization programme. Hence, the inviolability of the mandate of flexibilities for developing countries contained in paragraph 8 of the July Framework Agreement.

The report of the Secretary-General has highlighted that welfare gains from liberalizing the temporary movement of natural persons are in the range of US\$ 150 billion to US \$250 billion. Effective and commercially meaningful access in Mode 4 for developing countries' services suppliers is the area where the largest gain is expected and would contribute to the achievement of MDGs. It could be a win-win situation; restricting the movement of professionals across the world is unnatural and, ultimately, to the detriment of developed countries themselves.

Greater emphasis needs to be placed on key development issues. One such important development issue relates to the TRIPS Agreement. Developing countries are a recognized repository of the traditional knowledge of their indigenous communities that has been used for ages, inter alia, to provide a cost-effective cure for a number of ailments. In the recent past, attempts have been made to misappropriate this knowledge for commercial gain, denying in the process the value that justly should be reaped by these communities. Developing countries have therefore sought amendments in the TRIPS Agreement to prevent piracy of biological material and misappropriation of traditional knowledge. Disciplines on disclosure of the source and country of origin of the biological resources and traditional knowledge along with securing prior informal consent and equitable benefit

sharing should be agreed to. Respect for the intellectual property rights of individuals should be complemented by respect of intellectual property rights of communities.

On the issue of preference erosion, India believes that the main responsibility lies with the developed economies through implementation of their commitment to lower preferential rates to zero and, more importantly, through enhancing the utilization of GSP schemes by rationalizing the rules of origin. Notwithstanding the constraints of being a developing country, India would soon be finalising a bilateral package of preferential market access for LDCs into the Indian market. We welcome the 'Aid for Trade' initiative as a means of enhancing the capacity of developing countries to realise the gains of trade. While helping countries to build supply side capacities and trade related infrastructure particularly, in least developed countries, we need to remind ourselves that 'Aid for Trade' cannot be a substitute for the expected development benefits from a successful conclusion of the Doha Round. We also agree with the Secretary-General that such aid must be additional to current development assistance and be secure, predictable and non-debt creating.

Madam Chairperson,

We are meeting at a time when the actions of the global development community are being closely scrutinised against the promises that we have collectively made and repeated often. The scale of the development challenge facing us is daunting and the United Nations needs, more than ever before, to focus on where it can actually make a difference. The United Nations has a central role in the promotion of development. A clear political direction to break the current impasse is necessary. Developed countries must be encouraged to remove the barriers that they have erected, which result in lost development opportunities for many developing countries. India is actively and constructively participating in negotiations on the Doha Work Programme in the expectation that they will fully address the concerns of developing countries.

Thank you, Madam Chairperson,

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575. Statement by Member of the Indian Delegation to the UN Anil Basu on Agenda Item 55: Globalisation and Interdependence: [A] Globalisation and Interdependence; and [B] International Migration and Development at the Second Committee of the 61st session of the UN General Assembly.

New York, October 19, 2006.

Madam Chairperson,

We thank the Secretary-General for the reports on the agenda item: “globalisation and interdependence” under consideration today. We associate ourselves with the statement made by the distinguished delegate of South Africa on behalf of the Group of 77.

Madam Chairperson,

The spirit of globalisation is rapidly reshaping the world today. It has accelerated the flow and exchange of trade, capital, technology, information and people and has created unprecedented opportunities for the progress and prosperity of all countries, transcending the narrow confines of national boundaries. But globalisation has also brought new challenges and many developing countries are facing difficulties in responding to these challenges. The 1990s was the decade in which globalisation came into full swing. It was also the decade of frustration for many developing countries. It is no coincidence that the Millennium Declaration recognises that the benefits of globalisation are very unevenly shared, while its costs are unevenly distributed.

In an increasingly globalising world, the regimes governing international trade, money, finance and technologies are critical determinants of development.

Not only do they establish the rules of the game for the flow of goods, services, technologies and people, they influence the actual flows in these areas. The deepening of global imbalances continues to pose a major risk to global growth and stability. Caught between the intellectual property rights and trade regimes, as well as the conditionalities imposed by the World Bank and IMF, the developing countries increasingly find erosion of much needed policy autonomy and flexibilities to evolve their own policies and strategies to achieve sustained economic growth and development,

critical for poverty eradication and the achievement of the Millennium Development Goals. It is incumbent upon the international community as a whole to consider the issue of an appropriate balance between national policy space and international disciplines and commitments when deciding collectively on future disciplines and commitments as well as on the implementation and interpretation of the existing ones.

The current impasse in the Doha round of trade negotiations is a cause of concern. There is no doubt that development-oriented outcome of trade negotiations, with effective and operable special and differential treatment for developing countries, is imperative to enable the developing countries reap the benefits of globalisation. It is equally important to address systemic issues and in this regard to undertake a comprehensive reform of the international financial architecture in a time-bound manner. Unequal bargaining power leads to regimes that are unfair. The international community must find ways to contracting the circles of exclusion.

Fair globalisation requires political will that can be manifested externally by the United Nations. There has, regrettably, been an erosion in the role of the United Nations over the years in shaping the regimes governing international trade, money, finance and technologies and providing political guidance to shape the international economic agenda. Its watchdog function in pursuing the development agenda has been whittled down. It is imperative that the ongoing efforts to reform the United Nations address the question of restoring the centrality of development on the agenda of the United Nations and utilizing fully its comparative advantage of democratic and universal characteristics. We must evolve equitable and rules-based regime to manage global trade, investment flows, technology transfer and movement of services.

Madam Chairperson,

The determinants of development are rapidly shifting along several paths; from agriculture to manufacturing; from manufacturing to services; from capital resources to knowledge resources. In conditions where access to critical resources are severely restricted by international rules and regimes, the challenge before the developing world is to fully tap the enormous productive potential of the non-material knowledge resources. India recognizes the importance of science and technology as a critical determinant of development and seeking to remain on the fast track to knowledge-led growth, through strengthening the roots and sinews of its capacity and capability building to meet the challenges of the 21st century;

not merely to become a knowledge producing society but a knowledge sharing and knowledge consuming society. We thank the Secretary-General for focussing, in his report, on the role of science and technology in the context of globalisation and interdependence.

Madam Chairperson,

The role of science and technology for development cannot be overemphasized. Intellectual property rights regimes are often used as tools to restrict, control and deny technologies, rather than facilitate their transfer to developing countries. It is imperative that development dimensions are integrated into such regimes as quickly as possible. The international community also needs to find pragmatic ways to promote research and development in developing countries.

Madam Chairperson,

The revolution in information and communication technologies offers us the tool to face the challenges of globalisation. It is ironic that the shrinking of the world as a result of technology and communications should be accompanied by evolution of controls that restrict movement for the peoples of the developing world. In the context of globalisation, there is need to recognise the inevitability of international migration. This presents challenges and opportunities. The increased demand for specialists in developed countries can be matched by their availability in developing countries. There, however, needs to be greater receptivity among developed countries to the request made to them for enhanced market access in Mode 4. This can be a win-win situation. The World Bank's Global Economic Prospects 2006 notes that a rise in migration from developing countries raises incomes of natives in high-income countries. India believes that efforts at the United Nations should focus on promoting teamwork amongst nations to maximise the benefits of international migration while reducing its negative effects. We look forward to participate constructively in discussions on international migration and development.

Thank you, Madam Chairperson.

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576. Statement by Member of the Indian Delegation to the UN Anil Basu on Agenda Item 33: Comprehensive Review of the whole question of Peacekeeping Operations in all their aspects at the Fourth Committee of the 61st session of UN General Assembly.

New York, October 23, 2006.

Mr. Chairman,

We welcome the opportunity to participate in discussions under Agenda Item 33: Comprehensive Review of the Whole Question of Peacekeeping Operations in all their aspects. We associate ourselves with the statement made by the distinguished representative of Morocco, on behalf of the Non Aligned Movement.

Mr. Chairman,

We note the recent increase in the number of UN peacekeeping personnel to approximately 93,000 men and women in 18 peacekeeping operations. There is a likelihood that the numbers are going to rise even further, with increased commitments in Lebanon, Sudan and Timor Leste. While this shows the indispensability of peacekeeping operations the world over, it is also a sad commentary on the present international situation.

The Under-Secretary-General has in his comments rightly commended the DPKO's ability to raise and deploy large peacekeeping components at short notice. At the same time, it has also been seen that the UN tends to create new parallel instruments without in-depth planning. Therefore, the problems that face us in peacekeeping today are not only because new missions have been set up or old ones expanded but also because of the manner in which they were set up, what they are asked to do and, not least, the tools they are provided with.

Foremost among the challenges continue to be the necessity to improve the safety and security of uniformed and civilian personnel - an area of great interest and concern to India. The rush to deploy troops under difficult UN mandates, without adequate resources, places the life of peacekeepers at increased risk. In this context, we welcome the Under-Secretary-General's recognition of strategic priorities, especially the focus on reform, resources, training, modernization and accountability.

The progress made through the establishment of Joint Operation Centres and Joint Mission Analysis Centres (JOC/JMAC), needs to filter

down to the Missions. We would again underline the importance of sharing of information with troop contributing countries and field commanders. The bureaucracy at Headquarters must actively and continuously engage field missions and positively respond to resolving their problems rather than creating more problems for them. Therefore, while we note the emphasis on creation of a civilian cadre for DPKO, we hope this would not end up being merely another expansion of job opportunities. We would also like to emphasize the importance of ensuring equitable geographical representation and transparency in recruitment while undertaking such expansion. We also welcome the Under-Secretary-General's underlining of the need for improving communication technologies and IT capacities so as to enhance the safety and security of personnel in the field.

Mr. Chairman,

India supports the energising of the mechanism of triangular consultations between Troop Contributing Countries, the Security Council and the UN Secretariat. In this context, we note the holding of Private Meetings under Resolution 1353 format and the increase in the frequency of briefings for TCCs.

However, such meetings still continue to be held on the very eve of the renewal of Mission mandates, leaving little time or scope for meaningful discussions. We would like to re-emphasise that TCCs need to be involved early and fully in all aspects and stages of mission planning. This would contribute to further enhancing the design, execution and effectiveness of peacekeeping operations.

We welcome the UN's efforts to further deepen its relationship with the African Union. India supports these efforts. We share close and historic ties with our African brothers and sisters and are ourselves involved in bilateral capacity building efforts in most African countries. Nevertheless, the role of regional arrangements should be in accordance with Chapter VIII of the UN Charter and the real challenge for the UN is how to strengthen peacekeeping without regionalizing it. The UN cannot absolve itself of its responsibility under the Charter for the maintenance of international peace and security.

Mr. Chairman,

We agree that peacekeeping elements should be incorporated into new multi-disciplinary peacekeeping operations from the outset to ensure a seamless transition. We would, however, caution against the tendency to confuse peacekeeping with peace-building. Peacekeeping is short-term,

designed to perform a series of specific tasks, particularly establishment of a basic degree of security and order. Post-conflict peace-building, on the other hand, is a longer term exercise, best left to the Agencies, Funds and Commissions of the UN system and must be locally-owned. Post-conflict peace-building cannot be achieved through peacekeepers, who do not have the training, resources, or capabilities to undertake post-conflict reconciliation, reconstruction and development. In this regard, we support establishment of institutional cooperation and coordination between DPKO and the Peace-building Commission, including the Peace-building Support Office.

As regards the sensitive issue of conduct and discipline, we must emphasise that sexual exploitation and abuse are totally unacceptable forms of behaviour. We fully support the implementation of a policy of zero tolerance and note the work done by DPKO on raising the awareness of those with managerial and command responsibilities; establishing standards of conduct, training and investigation. Careful preparatory training in terms of a multi-cultural, pluralistic and tolerant outlook is as important as subsequent swift punitive action. We also welcome the progress underway with regard to the establishment of Standing Police Capacity and we recognize the role played by the Police Advisor in taking it forward and look forward to its becoming functional. We would emphasize that the recruitment to this capacity should be done in a transparent manner giving due weightage to professionalism, geographical balance and contribution of TCCs.

Mr. Chairman,

India has contributed over 80,000 troops to UN peacekeeping, participated in almost in every UN mission, particularly in Africa, and made the supreme sacrifice on 112 occasions. We are proud that the first Female Formed Police Unit in the UN would be contributed by India to the Mission in Liberia (UNIMIL). This reflects our commitment to assist the UN in reaching out to the most vulnerable sections, i.e. women and children, in conflict and post-conflict societies.

In conclusion, Mr. Chairman, I would like to restate India's unwavering commitment to the purposes and principles of the UN and our desire to make peacekeeping into an even more effective tool in the maintenance of international peace and security. Thank you, Mr. Chairman.

577. Statement of Member of the Indian Delegation to the UN Rahul Gandhi on Agenda Item 53: Sustainable Development at the 2nd Committee of the 61st session of the UN General Assembly.

New York, October 25, 2006.

Madam Chairperson,

We thank the Secretary-General for the reports under agenda item 53 on Sustainable Development. We associate ourselves with the statement made by the distinguished representative of South Africa on behalf of the Group of 77.

Madam Chairperson,

India has actively participated in shaping international agreements to tackle major global environmental issues. In 1972, at the United Nations International Conference on Human Environment in Stockholm, Prime Minister Indira Gandhi emphasised that environmental concerns cannot be viewed in isolation from developmental imperatives. Twenty years later, the Rio Conference affirmed the importance of sustainable development. Agenda 21, adopted by that Conference, provides a blueprint of how to make development economically and socially sustainable. The Rio Conference and the Johannesburg Summit established a global partnership committed to protecting the environment while addressing development needs. India contributed to that global partnership and is committed to it.

The Government of India's National Environmental Policy 2006 recognises that human beings are at the centre of sustainable development. It emphasises that the right to development must equitably meet the developmental and environmental needs of present and future generations. Its dominant theme is that while we must conserve environmental resources to secure livelihoods, the most effective way of doing this is to ensure that people benefit more from conservation than from resource degradation. The Policy is intended to mainstream environmental concerns in all development activities. India is privileged to host the eighteenth meeting of the Parties to the Montreal Protocol and substances that deplete the ozone layer.

Madam Chairperson,

The Secretary-General's report notes that many Governments have taken the lead in implementing sustainable development. This

implementation takes place within countries. Thus, each country is responsible for its own sustainable development. However, if developing countries are to attain the goals and targets of Agenda 21 and JPOI, the international community must make the means of implementation available and create an international environment supportive of development.

As a result of globalisation, external factors contribute to the success or failure of developing countries to a greater extent than before. Developing countries are caught between intellectual property rights and trade regimes, as well as the conditionalities imposed by the World Bank and IMF, all of which erode their autonomy and flexibility. However, these countries need that autonomy and flexibility to evolve policies and strategies for economic growth and sustainable development, which is so critical to eradicating poverty and achieving Millennium Development Goals. The current impasse in the Doha round of trade negotiations is a cause for concern. When agriculture was brought into multilateral trade negotiations, developing countries had clearly been given to understand that trade distorting agriculture subsidies would be phased out in a definite timeframe. However, gains expected from agricultural reform by developed countries continue to elude developing countries. JPOI recognises that agriculture is inextricably linked to poverty eradication, especially in developing countries. Minimizing the vulnerability of poor farmers must be our collective priority. Reducing agricultural tariffs and subsidies is not enough: there must be exceptions to allow developing countries more space to pursue their pro-development strategies and policies aimed at protecting their poor. Special and differential treatment for developing countries, to enable them to meet food security, livelihood security and rural development needs, remains a categorical imperative.

It is no coincidence that JPOI recognises good governance at the international level as fundamental to achieving sustainable development, and that it emphasises the need to address international finance, trade, technology and investment patterns that impact the development prospects of developing countries. We would suggest that the report of the Secretary-General include a detailed analysis of actions taken at the international level for consideration at future sessions.

Madam Chairperson,

The themes of the current implementation cycle of the multi-year work programme of the Commission on Sustainable Development, namely, energy, climate change and industrial development including air pollution,

are particularly relevant. Energy is critical to development. In developing countries, a rapid increase in energy use per capita is imperative to realizing national development goals and Millennium Development Goals. Developing countries must have the policy space to address their energy needs in light of their individual circumstances. All significant energy sources – whether conventional or advanced fossil fuels based, or renewables, or civilian nuclear power – must remain in policy reckoning to address energy needs for sustainable development. In particular, there needs to be a fresh assessment of nuclear energy, as a clean and safe source of energy.

Many developing countries, including India, still rely on traditional sources of energy for a significant part of their energy needs. However, traditional technologies are inefficient, insufficiently versatile and have major health, gender, and environmental impacts. Modern renewable energy and energy-efficient technologies remain expensive, except in niche applications. There has been insufficient R&D in this area. Institutions in industrialised and developing countries can share technologies resulting from collaborative R&D. We believe that this is an important and promising but unutilized area in partnerships for sustainable development.

Madam Chairperson,

At the Johannesburg Summit, we collectively agreed to significantly reduce the current loss of biological diversity by 2010. India recognises the importance of the conservation, protection and sustainable use of genetic resources. It is particularly significant for developing countries that there be an international regime to protect and safeguard the equitable sharing of benefits arising from the use of genetic resources and traditional knowledge. The report of the Secretary-General has rightly recommended that all efforts be made to conclude the negotiation process for an international regime, within the framework of the Convention on Biological Diversity, by 2010.

The international community has not lived up to its commitments for technology transfer since Rio. Critical technologies are beyond the reach of developing countries because of prohibitive costs under the existing IPRs regime.

IPRs regimes must represent the tradeoffs between innovator incentives and wider human societal imperatives. We need to revisit the IPRs regime to ensure that technologies necessary for pursuing the global imperative of sustainable development are placed in the limited public

domain and made accessible to developing countries. The international community should also explore the possibility of establishing a Clean Technology Acquisition Fund to enable developing countries to access critical technologies. This would encourage the use of clean technologies, and significantly impact the realisation of sustainable development goals.

Madam Chairperson,

The Mauritius Strategy implementation review demonstrates that Small Island Developing States, or SIDS, need long-term attention in the areas of capacity building and resource transfer, to enable them to address the challenges of managing their compelling development priorities. In the spirit of South-South solidarity, India has directed its engagement with SIDS to focus on natural disaster preparedness and mitigation, resilience and capacity building and climate change. India's contribution is intended to supplement the efforts required from the international community. It is essential that the donor community fulfill their commitments.

Thank you, Madam Chairperson.

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578. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 70: Report of the International Court of Justice at the 61st session of the UN General Assembly.

New York, October 26, 2006.

Madam President,

At the outset, I would like to thank the President of the International Court of Justice, Judge Rosalyn Higgins, for her detailed and comprehensive presentation of the report of the Court as contained in document A/61/4.

The International Court of Justice, the principal judicial organ of the United Nations, is an important forum for the peaceful settlement of international disputes. In April, the Court celebrated the sixtieth anniversary of its inaugural sitting. We congratulate the court for its distinctive contribution to the maintenance of international peace and security in all the years of its existence.

Madam President,

The UN was established to save succeeding generations from the scourge of war. The founding fathers of the UN sought to achieve this objective by the twin approach of prohibiting the use of force under Article 2(4) of the Charter and by promoting the peaceful settlement of international disputes under Article 33 of the Charter. As a central element in the promotion of international peaceful settlement, departing from the model of the League of Nations, the UN Charter established, through Article 92, the International Court of Justice as its principal judicial organ. Further, in the case of disputes under consideration of the UN Security Council, Article 36(3) directs the Security Council to recommend to the parties to refer all legal disputes to the International Court of Justice. Finally Article 92 of the Charter makes the Statute of the ICJ an integral part of the Charter.

The above provisions clearly indicate the respect and the central role assigned to the ICJ within the UN Charter system. This is a status which is unique to the ICJ and not enjoyed by any other tribunal established since 1945.

Madam President,

The recent period has witnessed the creation of a number of specialized regional and international courts. The political process connected with the establishment of special international judicial bodies has been, on occasion, perceived as diminishing the role of the ICJ in the field of peaceful settlement of international disputes. Moreover, legitimate questions have been raised about the legal basis underlying the establishment by the Security Council of the ad hoc international criminal tribunals established for former Yugoslavia and Rwanda. The Security Council does not have this power under the Charter and while, it can set up subsidiary bodies, it cannot give them powers that it does not have itself: the established legal principle of *nemo dat quod non habet*. The lack of challenge from the general UN membership does not mean acceptance of such exercise in the future, still less any general endorsement of a power that the Charter does not give.

However, despite all these developments, the International Court of Justice still remains the only judicial body with legitimacy derived directly from the Charter, enjoying general jurisdiction and available to all States of the international community on all aspects of international law. All other international judicial institutions, established as they are with competence over specified fields, are confined to their limited areas of jurisdiction, and lack general jurisdiction of a universal nature.

Madam President,

Over the last fifty years, the Court has dealt with a variety of legal issues. Its judgments have covered disputes concerning sovereignty over islands, navigational rights of States, nationality, asylum, expropriation, law of the sea, land and maritime boundaries, enunciation of the principle of good faith, equity and legitimacy of the use of force. The issues presently before it are equally wide ranging, and its judgments have played an important role in the progressive development and codification of international law. Despite the caution it exhibited and the sensibility it showed to the political realities and sentiments of States, the Court has asserted its judicial functions and consistently rejected arguments to deny it jurisdiction on the ground that grave political considerations were involved in a case in which it otherwise found proper jurisdiction for itself.

Thereby the Court clearly emphasized the role of international law in regulating inter-state relations which are necessarily political.

In the same vein the Court - or for that matter any other competent judicial body - should not regard itself as precluded from questioning the validity of a Security Council resolution, insofar as it affects the legal rights of States. The issue was raised very pointedly by Judge Shahabudin and others in the Lockerbie case.

Many legal scholars rightly emphasize that the Court should not concede to the Security Council a place above the Charter; it should rather adopt a textual approach to Article 39, the wording of which contains all the necessary elements for a delimitation of the competences of the Security Council under chapter VII. The Court should not hesitate to affirm the rule of law in the international legal order. In the Lockerbie and Namibia cases the Court showed that it has the power of judicial review but, unfortunately, this is limited to a very few contentious proceedings and a very few advisory opinions that are sought.

The power of judicial review is a crucial element in a democratic system of checks and balances. The most practical, and perhaps the only, way of introducing these into the functioning of the Security Council is through an expansion of the permanent and non-permanent membership of the Council and a transformation of its working methods.

Madam President,

The phenomenal docket explosion of the Court stands testimony to the Court's high standing and authority not only in the UN system, but in the international community itself. It also reflects the increased relevance

of and respect for due process of law that States exhibit, and is an affirmation of faith in the Court. From being in a situation where, in the early 1970s, it was called the court without a case, it is now faced with the problems of plenty. In fact, it now finds itself in a position of being unable, within its existing resources, to respond effectively and in time to the demands made on it as a result of its increasing workload.

As emphasized in its Report, the Court is taking various measures to rationalize the work of its Registry, making greater use of information technology, improving its working methods and securing greater collaboration from the Parties to reduce the time taken for individual cases. The Report says that the Court's docket increasingly includes fact-intensive cases, which raise new procedural issues for it. The Court's request, therefore, for individualized legal assistance for all its members is reasonable and must be implemented urgently to enable it to efficiently carry out its designated functions as the principal judicial organ of the United Nations.

Thank You, Madam President.

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**579. Statement of Member of the Indian Delegation to the UN
Vijaya R. Alapadan on Agenda Item 29: Effects of Atomic
Radiation at the Fourth Committee of the 61st Session of
the UN General Assembly.**

New York, October 30, 2006.

Mr Chairman,

India reiterates its recognition of the importance, significance and scientific value of the work of UNSCEAR (United Nations Scientific Committee on the Effects of Atomic Radiation) and congratulates the Committee on the 50th anniversary of its first session.

The mandate of UNSCEAR is to undertake broad reviews of the various natural and man-made sources of ionizing radiation and their effects on the health of humans and the environment. The Committee's work has immense implications for the health and well-being of thousands of occupational radiation workers, patients undergoing radiation treatment or radio diagnosis and even people living in the high natural background radiation areas of the world, like Kerala and Tamil Nadu in India. The

UNSCEAR assessments are equally consequential to the environment and non-human biota.

We note with appreciation that the UNSCEAR report this year has five scientific annexes, based on the Committee's assessments of:

- A) Epidemiological studies of radiation and cancer.
- B) Epidemiological evaluation of cardiovascular disease and other non-cancer diseases following radiation exposure.
- C) Non-targeted and delayed effects of exposure to ionizing radiation.
- D) Effects of ionizing radiation on the immune system, and
- E) Sources to effects assessment of radon in home and work places.

Mr Chairman,

Cancer remains the main concern among radiation induced health effects. However, there is increased awareness that this multi-factorial disease can be influenced by several other factors such as life-style, diet, smoking, etc. As far as effect on cancer incidence following radiation exposure is concerned, the risk estimations, based primarily on Japanese Atomic Bomb survivors, are greatly affected by the sample size and statistical power of different studies. Other contentious issues are dosimetric inconsistencies, extrapolation from the moderate dose, high dose rate exposures to low doses, extrapolation of risk to end of life and transfer of risk across populations. Most estimates in the low dose region are found wanting in these attributes and may lead to a substantial overestimation of risk.

Mr. Chairman,

It is generally believed that an important source of information on the influence of low dose radiation on cancer incidence would come from the data on the population living in high level natural radiation areas as in Kerala and Tamil Nadu. The Committee may use such data for its assessment of risk of cancer at low doses of radiation.

Other multifactorial diseases or defects also need to be paid attention to. Congenital malformations belong to this category. These may be a part of the non-targeted effects of radiation. There are some very interesting data from the studies done in India and China on the incidence of congenital malformation which show no significant difference in the population living in the high level natural radiation areas and their corresponding normal level natural background controls.

Mr. Chairman,

The Linear No Threshold (LNT) concept of radiation dose response has been the cornerstone of all international regulation related to the radiation exposure limits set forth for nuclear power plants and other nuclear installations. The stringent requirements of the present regulatory regime impose huge and unreasonable costs the countries harnessing nuclear power for generation of electricity. However, there are numerous studies on low dose radiation effects, including those on immunological aspects, longevity and cancer incidence, which would question the scientific acceptability of the generalized LNT hypothesis.

With the changing global scenario emphasizing the inevitability of nuclear energy as a viable economical and environment friendly option, such data need to be carefully analyzed. A scientific debate was triggered last year following the reports of the French and US National Academy of Sciences. The scientific conflict of opinion can be resolved by more vigorous and rigorous studies.

Mr. Chairman,

Some uninformed individuals/agencies have tended to use the UNSCEAR estimates of risk coefficients and collective doses to the population to predict the number of deaths following accidental radiation exposure. Such an approach is scientifically incorrect and will result in overestimation and spread panic among the people of the affected nations, as happened following the recent report of the Chernobyl forum. It will encourage radio-phobia. It is in this context that the attributability of specific health effects to radiation needs to be debated at length.

Medical radiation exposures constitute a major component of man-made radiation exposures. There is a need to collect authentic information on various radio-diagnostic and therapeutic procedures followed in different countries – at least in the member states of UNSCEAR and exposures resulting from them. We hope that the Committee will succeed in cataloguing this information and present it as a scientific annexure to its next year's report to the UNGA.

The Committee has, for the first time, come out with an analysis of the risk of non-cancer diseases, especially cardiovascular diseases following relatively high dose of radiation exposure. Likewise, the Committee has also, after a considerable gap, analyzed the effect of radiation on the immune system. We are pleased that the Indian delegation was able to contribute significantly to the development of this annexure.

Another important feature of this year's report is the assessment of the effects of exposure to radon in home and work places. The pooling of residential case control studies in Europe and North America now provide a direct method of estimating risk of long term exposure to residential radon.

It is important to emphasize that the Committee's work is highly scientific and the technical details are handled very carefully. The Committee's scientific analyses guide the regulatory agencies such as ICRP. It is, therefore, necessary that the United Nations Environment Program (UNEP) accords utmost importance and priority to UNSCEAR'S work.

Mr Chairman,

UNSCEAR has suffered from lack of adequate resources for the last several years. Consequently, it is not in a position to hire competent and reputed consultants to prepare its documents and undertake methodical analysis of the extent of radiation exposure. This year, its budget was not even enough to pay

for the travel of all the representatives. India strongly supports a substantially increased budget for the 2008-2009 bienniums pursuant to the resolutions 60/98, 59/114, 58/88 and 57/115 of the UNGA.

Thank you, Mr. Chairman.

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580. Statement by Member of the Indian Delegation to the UN Mufti Mohammed Sayeed on Agenda Item 81: Report of the International Atomic Energy Agency at the 61st session of the UN General Assembly.

New York, October 30, 2006.

Madam President,

The delegation of India thanks the Director General of the International Atomic Energy Agency [IAEA], Dr. Mohamed El Baradei, for presenting to the General Assembly the Report of IAEA. The contribution of the Agency has been recognized through the award of the Nobel Peace Prize to Dr. El Baradei and the IAEA in 2005. India believes that this tribute was both timely and well deserved.

The IAEA is a unique organisation in the UN system founded on a strong science base. As a founder member of the Agency, India has consistently played an active role in the work of the IAEA for promotion of peaceful uses of nuclear energy.

Madam President,

The demand for nuclear power is growing in step with growing global energy needs. The exigencies of economic development, the finite nature of fossil fuels and concerns linked both to their prices as well as their impact on global climate change add to the attractiveness of nuclear power. The immense energy potential of nuclear fuels, readily available and deployable technologies and the safety and productivity record of nuclear power over the past 20 years are likely to help maintain an upward trend in the demand for nuclear energy. Indeed nuclear power is now an inevitable and indispensable part of the solution to the world's growing needs for energy.

India believes that the Agency should continue to pay special attention to the promotion and development of nuclear energy, especially in areas of the world where developmental needs and aspirations remain pressing and unfulfilled. As the Report of the IAEA notes, 2005 was a year of rising expectations of nuclear energy, which kept pace with the steady growth in the global electricity market. Nuclear power accounted for 16% of the world electricity production with a net increase in capacity of 2300 MW(e) in 2005. The report also notes that of the 26 Nuclear Power Plants under construction, 15 are located in Asia. In India, with the TAPS-4 achieving criticality on March 6, 2005 and TAPS-3 on May 21, 2006, there are 16 operating power plants, with 7 under construction. Further, Government of India has recently approved pre-project activities on additional eight reactor units. With the completion of all these units, the total nuclear power generation capacity in India would reach around 14,000 MWe. The emerging possibility for expanding civil nuclear cooperation between India and the international community would supplement our domestic efforts to meet the developmental aspirations of our people through additional energy inputs.

India considers a closed nuclear fuel cycle of crucial importance for its well established three stage nuclear power programme with its long term objective of tapping India's vast thorium resources. In the front end of the cycle, our programme is providing inputs to the indigenous Pressurized Heavy Water Reactor (PHWR) phase. In the back end of the fuel cycle, reprocessing of PHWR spent fuel has enabled India to successfully operate

a Fast Breeder Test Reactor for two decades and launch a commercial Fast Breeder Programme. The technology of reprocessing irradiated Thorium fuel has been developed and U-233 recovered so far utilised to fuel a small reactor. A comprehensive capability in the area of nuclear waste management has been achieved.

India's participation in the International Thermo-nuclear Experimental Reactor (ITER) project is recognition of its advanced capabilities and its record of responsibility in the area of nuclear energy. India has been an active participant in the activities of the Agency under the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO), and has applied the INPRO methodology for analyzing nuclear systems for hydrogen generation and in the study of closed fuel cycle using fast reactors. India supports the Agency's work towards the development of small and medium sized reactors for development of technology for additional applications and for expanding nuclear power. Indian experts have also contributed to the work of the International Desalination Advisory Group (INDAG). We have offered to share our experience and identify future areas of work in nuclear desalination. We are also bringing our national commitment and professional expertise to the IAEA activities in the areas of plasma physics and fusion research.

The aging of the work force in many areas of nuclear applications is a matter of serious concern for a number of States. India supports the efforts of the Agency to preserve and maintain nuclear knowledge through all databases and, in particular the International Nuclear Information System (INIS) database that provides free access to students at 283 universities and has over 1 million authorized users. We take note of the support provided by the Agency to 75 students from 33 countries to attend the first summer institute of the World Nuclear University. Given the long-term benefits, we encourage the Agency to continue its support to potential students from developing countries. India has been supportive of the technical cooperation activities undertaken under IAEA aegis. This year India has pledged US \$3,24,800 for the Technical Cooperation Fund for 2007. We have reinforced our financial contribution by providing technical experts, hosting meetings, symposia, workshops and offering training facilities.

Madam President,

India maintains that the promotional role of the Agency is of direct, visible and measurable benefit to its Member States. We commend the activities of the Agency in promoting the applications of nuclear technology

in areas of food and agriculture, human health, water resources management, protection of the environment and industry. India notes with appreciation the setting up of the IAEA Nobel Cancer & Nutrition Fund. At the 50th Session of the General Conference of the IAEA the Prime Minister of India announced India's offer of a recently developed cobalt 60 Tele Therapy Machine (Bhabhatron) as our contribution to the Programme of Action for Cancer Therapy (PACT) of the IAEA.

Madam President,

The international community has recognized the need to protect and secure radiological materials because of the increasing global concern that terrorists could gain access to use them. India, therefore, supports the efforts of the Agency towards ensuring safety and promoting a global security culture and attaches a high priority to this issue. India has ratified the Convention of Nuclear Safety and actively participated in the amendment to the Convention on the Physical Protection of Nuclear Materials. India has also participated in the Regional Radiological Security Initiative and has been conducting courses under the aegis of IAEA in India on a regular basis. India successfully conducted, for the third consecutive year, the regional course on 'Physical Protection of Nuclear Installations'.

Madam President,

If we are to be successful in realizing the benefits of atomic energy, we need to act in concert and we need to adhere to our respective international commitments. The IAEA and the Director General deserve our complements for ensuring that the Agency continues to be the global community's platform for addressing these issues in a spirit of harmony and consensus in accordance with the Statute of the Agency. In accordance with its commitment and its record as a responsible state with advanced nuclear technology India is prepared to supplement international efforts for promotion of peaceful uses of nuclear energy.

The issue of assured supply of nuclear fuel in a manner that does not cause proliferation concerns has been attracting attention in recent times. Different countries and groups of countries have proposed various schemes in this regard. A Special Event "New Framework for utilization of Nuclear Energy in the 21st Century:

Assurances of supply and Non-Proliferation" was organized along side the recently concluded 50th IAEA General Conference, when these

proposals and related issues were discussed. India made a presentation in the event on “The Twin Challenges of Abundant Nuclear Energy supply and Proliferation Risk Reduction – A View”. Indian capability in the nuclear fuel cycle activities is well recognized.

India believes that closed fuel cycle is essential if nuclear power is to make sustained contributions at a large enough scale necessary to meet global energy needs. India also believes that reprocessing and recycling of nuclear fuel is essential not only for this purpose but also for the reduction of long term radio toxicity and security implication of disposal of spent fuel as such. Further, Thorium offers an excellent matrix for efficient burning of surplus plutonium with a much greater degree of proliferation resistance and very low minor actinide burden.

With its well-established high level of R&D capabilities and sizeable pool of highly qualified and trained manpower, India is prepared and offers to supplement international efforts for sustainable growth of nuclear energy worldwide, while address proliferation concerns.

Madam President,

The prospects of rapid depletion of global fossil fuel and the burden imposed by rising fuel prices, combined with concerns about global climate change, have brought out the vital importance of nuclear energy. India believes that it is possible and feasible to enhance the share of nuclear energy as a clean energy source of the future while taking care of the imperatives of nuclear safety, security and non-proliferation. India stands willing to support the efforts of the international community and the IAEA towards further development of nuclear energy to meet the growing energy needs of the world.

Thank you, Madam President.

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581. Statement by Member of the Indian Delegation to the UN A. K. S. Vijayan on Agenda Item 78: Report of the International Law Commission Chapter VI: Shared Natural Resources and Chapter VII: Responsibility of International Organisations at the 6th Committee of the 61st session of the UN General Assembly.

New York, October 31, 2006.

Mr. Chairman,

On the topic of “Shared Natural Resources”, we welcome the completion, on first reading, of the set of 19 draft articles and commentaries on the law of transboundary aquifers. We commend the Special Rapporteur, Ambassador Yamada, for the progress achieved by the International Law Commission. We also appreciate the contribution of the Working Group on Shared Natural Resources under the Chairmanship of Mr. Enrique Candioti.

The work of the Commission in this field is important, as this is an area in which international practice is still evolving. Despite the abundant treaties and other legal documents that have been concluded in this area, which provided useful inputs to the work of the ILC, it may be noted that considerable growth in the international practice and scientific knowledge concerning transboundary aquifers has only taken place in recent years, we therefore welcome the caution exhibited by the Commission in taking the view that it was still premature to reach a conclusion on the question of the final form the Draft Articles should take.

My delegation reiterates its support for the inclusion in Draft Article 3, of an express affirmation of the principle of the State’s sovereignty over the portion of a transboundary aquifer or aquifer system located within its territory. This is consistent with the principle of sovereignty of States over natural resources within their territories.

The principle of “equitable and reasonable utilization”, set out in Article 4, needs to be considered together with Draft Article 5 on “factors relevant to equitable and reasonable utilization”. The phrase “accrual of benefits” contained in Article 4 (a) requires clarification, since the title of the Article as well as Article 5 refer to “utilization”.

In Draft Article 11, India supports the inclusion of the “precautionary” approach. However, this principle needs to be more clearly specified and

the clause “In view of uncertainty” should be deleted, as this is not suitable for inclusion in a legal text.

Draft article 16 deals with the obligations of States in responding to actual emergency situations that are related to transboundary aquifers. However, the commentary recognizes the lack of adequate knowledge regarding the type and extent of emergencies that could occur, or the response action that could be undertaken by the concerned States.

India supports the general obligation to cooperate, as contained in the Draft Articles. However, there appear to be some overlapping areas, as this obligation is referred to in different Articles. Thus, Article 4 requires the aquifer States to “establish individually or jointly an overall utilization plan”, Article 7 stipulates that they “should establish joint mechanisms of cooperation”, Article 13 requires that “A joint management mechanism shall be established, wherever appropriate”, while Article 17 provides for bilateral or regional agreements or arrangements. The functions of these various mechanisms provided for and their inter-relationship needs to be more clearly established.

These are the preliminary observations of my delegation on the Draft Articles. As desired by the Commission, we would also be submitting further comments separately.

Mr. Chairman,

We would also like to convey our appreciation to the Special Rapporteur Professor Gaja on his fourth Report on the Responsibility of International Organizations as well as for presenting the set of draft 13 articles including commentaries adopted by the ILC this year. Articles 17 to 24 on circumstances precluding wrongfulness follow the general pattern of the relevant articles on State Responsibility as, according to the Rapporteur, the principles contained in the Chapter on ‘circumstances precluding wrongfulness’ are equally applicable to international organisations with minor adjustments to fit the nature of the organisation. We had earlier sounded a note of caution in this regard. First, the attributes of a State and an international organization are not the same. Second, given the diversity of international organizations and differences in their objectives and functions, it would be difficult to assess which of the circumstances precluding wrongfulness listed in Chapter V of Part One of the articles on the responsibility of States could be applicable to international organizations, especially given the absence of definitive practice in this area.

Article 18 on self defence is a good example in this regard. This article provides that wrongfulness of an act of an international organisation is precluded if the act constitutes a lawful measure of self defence. Since international organisations are not members of the United Nations, the reference to the Charter of the UN is replaced by “principles of international law embodied in the Charter of the United Nations. However this comparison overlooks the essential difference between a state and an international organisation, namely a circumstance such as self-defence is by its very nature only applicable to the actions of a State, it could be questioned whether the international obligations usually attributable to international organizations may be such that could reasonably lead to a breach of a peremptory norm of general international law under article 26 of the articles on State responsibility.

In the same vein, we are not sure whether the concept of necessity should be extended to international organisations. States are entitled to invoke necessity to safeguard their essential interests, but under what circumstances the same right should extend to international organizations is difficult to envisage due to lack of specific practice in the area. The application of this concept to Peace Missions also raises some difficulties as those Missions have to follow very clear rules of engagement. Therefore, we would prefer deletion of this article so that this concept may not be invoked as a pretext for non-compliance with international obligations or for infringement of the rights of any third State.

These are our preliminary comments on Draft Articles 18 and 22. We would submit comments on other articles later.

Thank You, Mr. Chairman

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582. Statement by Member of the Indian Delegation to the UN Iqbal Ahmed Saragdgji on Agenda Item 31: United Nations Relief and Works Agency for Palestine Refugees in the Near East at the 4th Committee of the 61st session of the UN General Assembly.

New York, November 1, 2006.

Mr. Chairman,

At the outset, I should like to express my delegation's appreciation to Ms Karen AbuZayd, Commissioner General of the United Nations Relief and Works Agency (UNRWA) for Palestinian Refugees in the Near East for presenting an insightful and comprehensive report on the work by the Agency. My delegation would also like to take this opportunity to commend the work of the staff members of the Agency in the service of the Palestinian refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip.

Mr. Chairman,

India is deeply concerned at the on-going conflict in the Middle East. The support for the Palestinian cause has been a central feature of India's foreign policy since even before it achieved independence in 1947. We believe that there can be no military solution to the Palestinian issue. The violence that has beset the region since September 2000 has claimed several thousand Palestinian and Israeli lives, besides the physical and psychological scars affecting civilians and combatants. India has joined the international community in voicing its concern over the endless cycle of violence and counter-violence that has characterised the current phase of this conflict. India has maintained consistently that violence was a serious impediment to the peace process, and that the solution did not lie in more violence but in pursuing the path of political dialogue.

The economy of the Palestinian Authority has suffered immeasurably as a result of the on-going conflict. Some of the grim details are contained in Paragraph 14 of document A/61/13. Palestine has been particularly hard hit.

According to the World Bank report, about 43% of the Palestinian population still fall below the poverty line, with perhaps 15% living in deep poverty and unable to meet subsistence needs. The widespread increase

in poverty and unemployment, coupled with the decreasing revenues of the Palestinian Authority, has brought the economy to the verge of collapse.

We note the concern of the Chairperson of the Advisory Commission of UNRWA that “the separation wall/fence, closures, curfews and other restrictions imposed by the Israeli authorities in both the West Bank and the Gaza Strip, will lead to further hardship for the affected Palestinian population.” As we have stated in the past, the walls/encroachment on Palestinian land and interests creates great hardships for the people affected by its construction and exacerbates the already grim situation. Besides, the continued construction of the wall on Palestinian land threatens to prejudice the eventual outcome of the final status negotiations between the parties.

Mr. Chairman,

The services provided by UNRWA are of a critical importance in the context of the continuing spiral of violence in the Middle East. Since its inception over half-a-century ago, the Agency has played a key role in addressing the multifaceted needs of the Palestinian refugees, and it is today a symbol of the international community's commitment to the well being of the Palestinian refugees until a just and durable settlement of the refugee problem is achieved.

As the largest UN programme in the Middle East, the Agency is a key instrument in providing education, health, relief and social services and other vital programmes to the most vulnerable segments of the Palestinian population, not only in the West Bank and the Gaza Strip, but also in Jordan, Lebanon and Syria.

India has called for an urgent easing of the restrictions placed on the Palestinian areas and an immediate amelioration of the on-going humanitarian crisis there. We have, in the past, manifested our support to the Palestinian people through regular assistance and supply of medicines to the Palestinian Authority. In May 2006, in response to a request from the Palestinian authorities, India announced humanitarian assistance worth Rs.100 million, primarily in the form of medicines and medical supplies, to the Palestinian people in order to alleviate the difficult situation in which the Palestinian people find themselves.

We have also been a regular, albeit modest, contributor to the UNRWA budget.

An area of continuing concern is the restriction in freedom of movement of UNRWA staff members. Regrettably, the environment in which the Agency carries out its operations continues to hamper its ability to deliver services. Of equal concern is that these restrictions have had a serious impact on the ability of UNRWA to move staff and provide humanitarian assistance to those in urgent need. Closures and blockades need to be lifted and unhindered access allowed to humanitarian supplies. We support the plea of the UNRWA Chairperson regarding removal of restrictions on the movement of agency staff and goods, as specified in his letter dated 28 September 2006. We salute the staff members of UNRWA for their efforts to assist Palestinian refugees under difficult and often dangerous circumstances.

Mr. Chairman,

UNRWA is the primary source of humanitarian relief assistance to Palestinian refugees. We believe that the Agency's activities constitute an important component in the struggle for the realisation of peace in the Middle East. Its continued operations in the region are crucial to address the mounting humanitarian crisis among the Palestinians. Under the circumstances, it is imperative that the international community remains firmly committed in carrying out its shared responsibility to provide the vital support required by UNRWA to continue to effectively fulfil its mandate.

Mr. Chairman,

At this juncture, it is critical for the international community, in particular the Middle East Quartet to work closely with the parties with a view to encouraging them to fulfil their commitments and obligations. It must also be ensured that vested interests are not allowed to derail the process. India is confident that a just and comprehensive solution to the conflict is attainable and we call upon all sides to work together to achieve the vision of two States living side by side in secure and recognised borders, based on Security Council resolutions 242, 338, 1397 and 1515.

Thank you, Mr. Chairman.

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583. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 58: Operational Activities for Development: Operational Activities for Development of the UN System at the 2nd Committee of the 61st session of the UN General Assembly.

New York, November 2, 2006.

Madam Chairperson,

We thank the Secretary-General for the report on 'Comprehensive statistical data on operational activities for development for 2004' and the 'Activities of the United Nations Development Fund for Women'. We associate ourselves with the statement made by the distinguished representative of South Africa on behalf of the Group of 77.

Madam Chairperson,

The report on 'Comprehensive statistical data on operational activities for development for 2004' provides a good picture of the distinction between contributions made for humanitarian assistance and for long-term development cooperation. In the context of funding for development cooperation, the Report reveals that while yearly contributions have risen steadily over the last five years, the proportion of core resources has not witnessed a favourable trend. The Report recalls the '2004 contributions report' of UNICEF, which states that, while it highly valued 'other resource' contributions, UNICEF's comparative advantage would be compromised if the imbalance between regular resources and other resources continued.

We note that while there was some kind of balance between core and other contributions from 2000 to 2003, the share of core resources fell substantially in 2004, when these were only 70 per cent of other resources. For the first time over that period even the nominal dollar amount of core resources fell, while the nominal dollar amount of other resources registered its biggest annual increase. The Report recalls that in 2004 only 40 per cent of contributions to UNICEF went to 'core resources'. It adds that this is the lowest core percentage that UNICEF has ever received.

Madam Chairperson,

Core resources are the foundation of country programmes of cooperation and are necessary for UNICEF, as also other organizations, to perform core functions at the optimal level and to contribute towards

achievement of the Millennium Development Goals. Core resources enable UN funds and programmes to respond quickly to emerging crises and distribute resources based on need and long-term objectives. While recognizing the value of the increase in non-core resources, the General Assembly has repeatedly highlighted the need to enhance the core or regular contributions to the United Nations development system. General Assembly resolution 59/250 (paragraph 20), acknowledges that ‘other resources’ “are not a substitute for core resources”.

The primary requirement for enhancing the capacity of the UN system to achieve development results is, indeed, the availability of adequate, sustainable, timely and predictable funding. The issue of financing for development cooperation, in particular the need for adequate core funding, would therefore, be an important issue that India would stress upon during next year’s discussion of the Triennial Comprehensive Policy Review (TCPR).

Madam Chairperson,

India believes that the UN system’s operational activities for development should be valued and assessed on the basis of the contribution they make to the efforts of developing countries to pursue their national development plans and priorities. India emphasises that the UN system’s operational activities should respond to the development needs of developing countries in a flexible manner, while recognizing that these activities are carried out for the benefit of the developing countries and at their request.

The General Assembly has recognized that the fundamental characteristic of the operational activities of the UN development system should be, inter alia, their universal voluntary and grant nature, their neutrality and multilateralism. The strength of the UN operational system lies in its legitimacy at the country level as a neutral, objective and trusted partner for both the recipient and donor countries. India backs the strengthening of these unique characteristics of the UN system’s operational activities for development so that they can better support the long-term development efforts of developing countries.

Madam Chairperson,

The Report presents and analyses data on humanitarian contributions and expenditures for the first time. We agree with the Report that countries in need require both humanitarian and development assistance, and that in many cases humanitarian assistance is an essential component in the process of transition from relief to development. The international community needs to maintain its interest and funding for the

relief and reconstruction phases of humanitarian emergencies, long after the eyes of the media have moved on to other stories and new emergencies. General Assembly resolution 59/250 on TCP/R recognizes the importance of funding for long-term development as part of a smooth transition process. The resolution recommends that planning for the transition to development and supportive measures in this regard should be taken from the beginning of the relief phase.

The Report notes that humanitarian assistance expenditures have represented, by far, the largest sector in the area of technical cooperation. This is despite the fact that available figures seriously understate the level of humanitarian assistance, especially as they have excluded UNHCR. We agree with the Report that there is need to make the data more representative and transparent.

Madam Chairperson,

The report on the 'Activities of UNIFEM' provides an overview of its programmes and activities. Despite being small, UNIFEM has been able to make a contribution in several areas in a large number of countries. We agree that while UNIFEM can contribute to the achievement of the reported results, the outcomes are dependent on the contributions of the national partners in government and non-government organizations.

The Report cites a number of projects in India where UNIFEM had some collaboration. An important project that is achieving concrete results is the partnership between UNIFEM and the Indian Railways to incorporate gender-responsive policies and practices related to HIV/AIDS. The Report labels its collaboration with the third largest employer in the world, as a project that is a 'recognized model of public-sector intervention' and adds that UNIFEM, along with UNFPA and representatives of Chinese Railways have visited the programme to look into possible replication.

We have noted the improvement in UNIFEM's funding situation. We congratulate UNIFEM on attaining a record total income of US\$ 57.6 million in 2005 and for exceeding its multi-year funding framework target of US\$ 43.4 million. However, core contributions stood at US\$ 22 million, as against the target of US\$ 25.4 million. We would like to once again emphasize the importance of enhanced core funding to help UNIFEM continue the pursuit of its mandated activities.

Thank you, Madam Chairperson.

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584. Statement of Member of the Indian Delegation to the UN Iqbal Ahmed Saragdi on Agenda Item 78: Report of the International Law Commission on the work of its 58th session Chapter X: Effects of Armed Conflicts on Treaties; Chapter XI: The Obligation to Extradite or Prosecute; Chapter XII: Fragmentation of International Law at the 6th Committee of the UN General Assembly.

New York, November 3, 2006.

Mr. Chairman,

I thank the Chairman of the International Law Commission for his detailed introduction of the Report of the ILC on the present cluster of topics.

On the topic “Effects of armed conflicts on treaties”, we commend the Special Rapporteur, Prof. Ian Brownlie, for his second report.

While the topic is generally part of the law of treaties and not that on the use of force, the topic is also closely related to other domains of international law, therefore, it is not possible to maintain a strict separation between the law of treaties and other branches of international law which may also be relevant to the topic.

The scope of the topic should be limited to treaties concluded between States and not include treaties concluded by international organizations. The definition of “armed conflict” in Draft Article 2 should be considered independently of its effects on treaties. In particular, the present definition would appear to make the existence of an armed conflict contingent on its likely effect on the operation on treaties between the parties to the conflict.

The scope of an “armed conflict” should be limited to conflicts between States and not deal with internal conflicts, as treaties are entered into by States, and internal conflicts do not directly affect treaty relations. Where internal conflicts give rise to circumstances which indirectly affect the operation of a treaty, the effects could be dealt with within the framework of the 1969 Vienna Convention on the Law of Treaties.

While the intention of the parties is relevant for interpretation of a treaty, such intention is to be determined from the text of the treaty, including

its context, and it is highly unlikely that at the time of its conclusion, the parties would have contemplated and provided for the likelihood of a situation of armed conflict arising between them.

All relevant circumstances, including the object and purpose of the treaty, the nature of the conflict or the situation that arises there-from and the nature of the treaty obligation itself, and subsequent actions of the parties in relation to the treaty, should be taken into account for determining whether the treaty or some of its provisions could continue in force, in the context of armed conflicts, as well as the legality of the actions of each of the parties to the conflict.

Mr. Chairman,

Draft Article 7 provides a listing of treaties which, on the basis of necessary implication from their object and purpose, are considered as continuing in operation during an armed conflict. A listing of such treaties would raise the presumption that treaties not covered by those categories would automatically lapse. It may, accordingly, be preferable to identify some general criteria for determining the type of treaties that would continue to apply during an armed conflict. In particular, treaties which expressly apply in case of or during an armed conflict, and therefore, can in no circumstances be terminated by an armed conflict, should be identified and considered separately from other treaties. It would also be useful to identify categories of treaties which could be considered as suspended or terminated during an armed conflict. In particular, these would include treaties which operate through the cooperation and interaction between the States parties, whether at the governmental level, or through individuals and companies.

Mr. Chairman,

Turning now to the topic "the Obligation to extradite or prosecute", I thank the Special Rapporteur, Mr. Galicki, for his preliminary report on the subject, concerning the substance of the topic, highlighting the most important points for further consideration and including a preliminary plan of action for the future work on the topic. We look forward to receiving further reports from the Special Rapporteur formulating draft rules on the concept, structure and operation of the obligation to extradite or prosecute.

India is a State party to the international conventions against drug trafficking, as well as the United Nations Conventions against terrorism,

and is signatory to the Conventions on transnational organized crime and on corruption, all of which provide for the obligation to extradite or prosecute. While none of these conventions specifically permit reservations to this obligation, the absence of a bilateral extradition treaty may have such an effect in case the law of a State party does not allow extradition without an extradition treaty.

Under Indian law, extradition may take place on the basis of a bilateral treaty or arrangement, or on the basis of a multilateral convention which provides for extradition, and also on an ad-hoc case by case basis. All our extradition treaties provide for the obligation to extradite or prosecute. Extradition may be granted for all offences which are punishable with imprisonment for a minimum of one year. However, since extradition can be granted only when a prima facie case has been established, the obligation to prosecute would arise only if extradition is refused after it is established that all requirements for extradition have been met.

Mr. Chairman,

On the topic “Fragmentation of international law: difficulties arising from the diversification and expansion of international law”, we commend the Study Group and its Chairman, Mr. Martti Koskenniemi, on the conclusion of the consideration of the topic.

The ILC, in its Report, refers to the dramatic increase in the scope of international law, which from a tool for the regulation of formal diplomacy, has expanded to deal with the most varied kinds of international activity, from trade to environmental protection, from human rights to scientific and technological cooperation.

According to the ILC, this expansion has taken place in an uncoordinated fashion, within specific regional or functional groups of States, and has led to the fragmentation of international law, as the focus has been on solving specific problems through the emergence of specialized and autonomous rules or rule-complexes, legal institutions and spheres of legal practice.

The Commission also recognizes that while fragmentation does create the danger of conflicting and incompatible rules, principles, rule-systems and institutional practices, it also has a positive effect, as it accounts for the development and expansion and is a sign of the vitality of international law.

The “42 conclusions” identified by the ILC, based on application of the provisions of the Vienna Convention on the Law of Treaties, the hierarchy between norms of international law and the principle of harmonization, set out some of the principles that should be taken into account when dealing with actual or potential conflicts between legal rules and principles, and should prove very useful to practitioners and legal advisers as guidelines in dealing with the practical consequences of the widening scope and expansion of international law.

Thank you, Mr. Chairman.

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585. Statement by Member of the Indian Delegation to the UN Mufti Mohammed Sayeed on Agenda Item 49: Sport for Peace and Development at 61st session of the UN General Assembly.

New York, November 3, 2006.

Madam President,

We thank the Secretary-General for his report on ‘Sport for Development and Peace: The way forward’. We note that the report reviews the achievements of the International Year of Sport and Physical Education 2005, including the broad range of activities, and initiatives carried out worldwide by Member States, the UN system and other stakeholders for continuing the momentum generated by the International Year.

Madam President,

Activities relating to Sports and Physical education are necessary components of human resource development. They have a positive impact on the overall personality of youth through the promotion of good health, comradeship and a spirit of friendly competition. Apart from providing beneficial recreation, Sports also improve productivity and foster social harmony and discipline.

India believes in the key role of sports in national life. Given the importance of sports and games, the Government of India has taken several initiatives to improve the standard of sports in the country. In the modern

world, the complexion of sports has undergone a transformation due to the use of modern equipment and introduction of modern infrastructure and highly sophisticated equipment. The high degree of competitiveness in international sports has led to nurturing of talent from a tender age, and to greater emphasis on hard and physical training along scientific lines.

Madam President,

Despite resource constraints, India has been making efforts for broad-basing sports and provision of modern sports infrastructure. The Government has focussed its attention on the need for upgrading the skills of the coaching fraternity and provision of adequate sports-science backup. The Government has encouraged the National Sports Federations to function more efficiently and is also encouraging the active involvement of business and industry in the promotion of sports. The Government of India formulated a New National Sports Policy in 2001, keeping in mind these objectives.

India has a long tradition of sports and physical fitness. In keeping with this tradition, the Government of India has instituted several sports awards to encourage achievements by sportspersons. The Government is also encouraging international cooperation in the field of sports and physical education and has been providing financial assistance to recognised National Sports Federations.

The Sports Authority of India was established by the Government in 1984 to achieve the twin objectives of broad-basing of sport and nurturing talent in children of different age groups by providing them with the necessary infrastructure, equipment, coaching and other facilities. The Sports Authority is implementing a number of Sports Promotion Schemes. Under one of its schemes it established a Sports Medicine Centre, which is operational full-time. The Sports Authority also maintains a Dope Control Centre.

Government of India has been promoting sports through several schemes that provide incentives for encouragement of sports activities. The Sports Fund for Pension to Meritorious Sportspersons was launched in 1994 and is providing pension to about 375 sportspersons. A scheme for Promotion of Sports and Games in Schools was introduced in 1986 to raise the standard of sports at the school level and to encourage participation in inter-school competitions. To broad-base games and sports in rural areas, the Government launched the Rural Sports Programme in

1970-71. Under this scheme, tournaments are also organized for indigenous sports popular in different parts of the country. The Sports Scholarship Scheme was launched in 1970-71 to assist talented boys and girls to receive a nutritious diet, sports equipment support and to pursue sports as a career option. A National Welfare Fund for Sportspersons was set up in 1982 to assist retired outstanding sportspersons. Under this scheme, pension and grants are provided to eminent sportspersons as well as their families. A National Sports Development Fund has been instituted to mobilise resources for Government and non-governmental sources, including the private and corporate sector.

Madam President,

We have taken note of the various activities organised by the UN system to help build on the momentum of the International Year. We encourage the UN system to undertake activities for Sport for Development and Peace and to develop indicators and benchmarks for evaluating and monitoring these activities. We agree with the Secretary-General that it is the national governments that are responsible for the achievement of the Millennium Development Goals. We have taken note of the Secretary-General's suggestion to Member States for maximizing the positive impact of sports and realizing the full potential of this powerful tool. India recognizes the positive value of sport as an instrument that can bring people together in a neutral and apolitical setting. In our neighbourhood, the game of cricket has sometimes served as an instrument of diplomacy, adding a new phrase to our lexicon, namely "cricket diplomacy".

Madam President,

India believes that sports activity is integral to the all round development of the human personality. We have, therefore, remained engaged with the efforts of the Special Adviser to the Secretary-General on Sport for Development and Peace, including his efforts to organise the United Nations Global Youth Leadership Summit. We are convinced that the engagement of Youth will help energise the efforts of countries to achieve the Millennium Development Goals. We support efforts by the UN system to generate awareness among the Youth through such initiatives.

Thank you, Madam President.

586. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 65: Elimination of Racism and Racial Discrimination and Agenda Item:66 Right of Peoples to Self-Determination at the 3rd Committee of the 61st session of the UN General Assembly.

New York, November 7, 2006.

Mr. Chairman,

We thank the Secretary-General for his report under the Agenda Item 65 'Elimination of Racism and Racial Discrimination'. We also thank Mr. Doudou Diene, Special Rapporteur on Contemporary forms of Racism, Racial Discrimination and related Intolerance, and Mrs. Amada Benavides, Chairperson of the Working Group on the Use of Mercenaries as a means of impeding the exercise of the right of peoples to self-determination, for their introductory statements. My delegation associates itself with the statement made under the Agenda Item 65 by the distinguished representative of South Africa, as the Chairman of the Group of 77.

The report of the Secretary-General concludes that despite taking important steps both at international and national levels to combat racism, racial discrimination, xenophobia and related intolerance, much more remains to be done. The Special Rapporteur's findings of an alarming retreat in the struggle against racism, racial discrimination and xenophobia is a matter of concern. In this connection, my delegation feels that implementation of the commitments made in the Durban Declaration and Programme of Action with a strong resolve is of key importance to foster social harmony benefiting all.

Mr. Chairman,

As we work towards a world free of the racial prejudices of the past, we must especially guard against new manifestations of racial intolerance. We continue to witness instances of destruction of constitutional order to promote policies based on racial or ethnic discrimination. The battle against racism has to be fought within societies in each nation so as to change thought-processes and attitudes. In addition to international efforts, action by States for the promulgation of stringent national laws, their strict implementation, and the setting up of independent national institutions with

powers to address manifestations of racism, needs heightened attention. The Special Rapporteur's call to promote the link between the struggle against racism and xenophobia and the recognition and promotion of multiculturalism needs to be explored further.

The commitment of India to the elimination of racism is well recognised. The contribution of our great leaders, such as Mahatma Gandhi, to the fight against racism is significant, historic and memorable. It was, therefore, natural that at independence, adequate safeguards were built into the Indian constitution and the Indian Penal Code against dissemination of ideas that promote disharmony in the country. The Constitution of India, in Article 15, expressly prohibits discrimination on the grounds of race and this constitutional guarantee is vigorously implemented. In addition, an energetic and committed non-governmental sector in India provides necessary support for eliminating all forms of discrimination.

Mr. Chairman,

India has played a leading role in the struggle for decolonisation, and was at the forefront of the movement to secure the right of peoples to self-determination so that those under alien subjugation, domination and exploitation could freely determine their own political status and pursue their economic, social and cultural development.

Today, Palestine remains the unfinished task in the realisation of the right of peoples to self-determination. India has maintained unwavering support and solidarity for the people of Palestine to attain their inalienable rights, including the right to self-determination. This has been a central feature of India's foreign policy since even before it achieved independence. We believe that there can be no military solution to the Palestinian issue. India has joined the international community in voicing its concern over the endless cycle of violence and counter-violence that has characterised the current phase of this conflict. India has maintained consistently that violence was a serious impediment to the peace process, and that the solution did not lie in more violence but in pursuing the path of political dialogue.

At this juncture, it is critical for the international community, in particular the Middle East Quartet to work closely with the parties with a view to help realise the dream of the peoples of Palestine and Israel to live in peace, side by side, within recognised and secure borders, thus realising the right to self-determination of the Palestinian people. In this context, we would like to underline the need for the international community to exercise

due vigilance in ensuring that the legitimate freedom struggle of the Palestinian people is not undermined by equating terrorist activities with the struggle of the people of Palestine.

Self-determination has long been recognised as the right of peoples of non-self governing colonies and trust territories to independence and self-government. Attempts continue to be made at the United Nations and elsewhere to reinvent some of the basic principles of the Charter, such as self-determination, and to apply them selectively for narrow political ends. Those who do so would do well to realise that such a reinterpretation may sweep their own countries into its vortex.

No right, including the right to self-determination, may be used as an instrument to promote subversion and erode the political cohesion or territorial integrity of Member States of the UN. The right to self-determination cannot be abused to encourage secessionism and undermine pluralistic, democratic states. Moreover, there is no room for self-determination to be distorted and misinterpreted as a right of a group, on the basis of ethnicity, religion or racial criteria, or any other such categorization, and use it to attempt to undermine the sovereignty and territorial integrity of States. Ethnic or religious segregation and chauvinism cannot be legitimised on the ground that societies need to be constituted on homogenous lines before they can be tolerant towards diversity and accept multi-culturalism. Such a view will only aid forces of narrow chauvinism and ethnic, religious and racial exclusivity.

The reference to the Indian State of Jammu and Kashmir in the statement made by the delegate of Pakistan earlier today is irrelevant to the deliberations in this forum, which is meant to focus on the right of peoples to self-determination.

It would suffice to point out that the people of Jammu and Kashmir exercised their right of self determination at the time of India's independence and have since then repeatedly participated in free, fair and open elections at all levels. In contrast, Pakistan continued to deny such opportunities to its own people and those in Pakistan Occupied Kashmir.

By its references earlier today the delegation of Pakistan is trying to divide the ranks of those who support the inalienable rights of the Palestinian people to self-determination. It will not succeed in its efforts.

On our part, we are convinced that bilateral issues should be resolved

bilaterally. India and Pakistan are discussing a whole range of issues in the framework of the bilateral composite dialogue. We look forward to improved relations between our two countries.

Thank you, Mr. Chairman.

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587. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 32: Report of the Special Committee to Investigate Israeli practices affecting Human Rights of the Palestinian People and other Arabs of the Occupied Territories at the 4th Committee of the 61st session of the UN General Assembly.

New York, November 8, 2006.

Mr. Chairman,

We appreciate the opportunity to discuss the report of the Special Committee to Investigate Israeli Practices Affecting Human Rights of the Palestinian People and other Arabs in the occupied territories, under Agenda Item 32. It is timely and meaningful, given the situation before us on an issue that the Secretary-General has eloquently described as “carrying a powerful symbolic and emotional charge for people throughout the world”.

Mr. Chairman,

Since the last report of this Special Committee, there were moments that held out hope for a better day ahead in the painful saga of the Middle East. India welcomed the implementation by Israel of its disengagement plan from the Gaza Strip and parts of the West Bank. We saw this as a positive development; a significant first step that we hoped would culminate in a mutually acceptable, negotiated settlement in accordance with the Roadmap and relevant UN Security Council resolutions. Similarly, we had nurtured hopes that this year's elections in the Palestinian National Authority would enable the peace process to resume, just as we hoped that the formation of a new coalition in Israel in March this year could perhaps lead to a redefinition of entrenched positions.

However, these hopes have been belied by events this year. We have watched with dismay as the reluctance of the international community to deal with the newly-elected Palestinian government led to both an almost-complete suspension of international assistance and non-payment of taxes and revenues by Israel to the Palestinian authority. The result has been an almost total collapse of the Palestinian economy, contributing more frustration and anger to an already volatile situation. There has been a resumption of rocket attacks and suicide bombings by Palestinian militants in Israeli territory and massive, disproportionate Israeli violence that impacts grievously upon ordinary Palestinians. The abduction of an Israeli soldier, and the massive retaliation, including detention of elected representatives, has made it harder for either side to de-escalate the situation. Daily acts of violence continue to take place almost routinely.

Mr. Chairman,

India is deeply concerned at the ongoing conflict in the Middle East. Support for the Palestinian cause is a central feature of India's foreign policy. Over sixty years of violence convince us that there can be no military solution to the Palestinian issue. We have joined the international community in voicing concern over the endless cycle of violence and counter-violence that characterizes the current phase of this conflict. Violence remains a serious impediment to the peace process, and a solution does not lie in more violence, but in pursuing the path of political dialogue.

India condemns all acts of terrorism, provocation and incitement to violence as well as harsh and disproportionate retaliatory measures. We believe that the world should collectively exhort all parties to exercise utmost restraint, abjure violence, and return to the negotiating table and thereby make progress towards a peaceful solution that will lead, within a reasonable time frame, to the creation of a sovereign, independent and viable Palestinian State within well-defined and secure borders, living side-by-side and at peace with Israel.

Mr. Chairman,

The focus of the Report of the Special Committee, as contained in document A/61/500, is on the human rights of the Palestinian people. Human rights are universal and indivisible in nature and we have strongly espoused the philosophy of "all human rights for all people". Apart from the reprehensible extension of collective punishment of the entire Palestinian people, the report outlines various human rights that have been

violated in the occupied Palestinian Territories. It chronicles rights violated by restrictions on daily life; by the continued construction of the separation wall and the provision of segregated roads for settlers; and by the devastation of the Palestinian economy and civil infrastructure.

Mr. Chairman,

It is in this unhappy context that the thirty-eighth report of the Special Committee is set. We cannot but regret that this year, not only has the Committee been unable to visit the Occupied Palestinian Territories or the Syrian Golan, it has also been unable to carry out its annual site visit to the Middle East at all. While the report is a credible effort to collate information from the ground and to examine the impact of the ongoing tragedy in the occupied territories upon the human rights of the Palestinian and other Arab peoples in these lands, there is no gainsaying the fact that the report would have benefited from a site visit, at the very least, to the region itself.

This is all the more a matter of concern since, as the report observes, “not since the inception of its mandate in 1968 has the Committee ever confronted such anger and misery among the Palestinian people and other Arabs in occupied territories and disrespect for their basic human rights and fundamental freedoms.”

More disturbing is the fact that this sense of desolation and frustration is leading people in the region to increasingly call into question the very role of the United Nations in the current crisis, and to wonder if their plight has been neglected by the international community.

Such reports are a frightening augury for the future. It is in recognition of the terrible implications of continued misery, frustration and bitterness in the region that we have launched efforts on a modest scale, to contribute to the amelioration of the unfolding humanitarian crisis in Palestine. For instance, earlier, we had extended material and technical assistance, including in the infrastructure and pharmaceuticals sectors, to help consolidate progress towards self-government and nation-building. We have pledged US\$3 million as donor assistance to the PNA, and projects have been completed in the field of higher education and training slots have been offered. A grant of US\$15 million was announced during President Mahmoud Abbas' visit to India last May. This May, in response to a request from the Palestinian authorities, we announced humanitarian assistance worth Rs.100 million, primarily in the form of medicines and medical supplies; its first tranche was delivered in August.

Mr. Chairman,

We are deeply concerned by the humanitarian crisis that the report outlines so starkly. We call on all parties to show restraint and avoid action that could worsen the humanitarian and economic plight of the Palestinian people. We urge adoption of urgent measures in accordance with the Roadmap, to improve security and the humanitarian and economic conditions of the Palestinian people. We also affirm our support for most recommendations and requests made to the General Assembly, the Israeli Government and the Palestinian Authority, by the report of the Special Committee. We support the suggestion that the Special Committee be provided a renewed mandate in line with current realities; one that takes into account the hopes, aspirations and also the deep-rooted sense of frustration of those living in the occupied territories.

Mr. Chairman,

India reaffirms its commitment to a negotiated two-State solution agreed between the parties that would result in a viable, contiguous, sovereign and independent Palestinian State existing side-by-side with Israel in peace and security.

We regard the Roadmap, as the framework for a resolution of the Israeli-Palestinian conflict. We support the call of the Secretary-General to consider innovative ways by all sides in order to take steps to fully implement the Roadmap which would lead to, without delay, a fair, stable and equitable solution to the conflict based on relevant UN resolutions, including Security Council resolutions. We also welcome the announcement by the Quartet principals in September this year, of the continuation and extension of the Temporary International Mechanism, to provide a channel for the donor community to extend need-based assistance directly to the Palestinian people. We hope that the process of reviving the peace process, symbolized by the Ministerial-level meeting at the Security Council on the margins of the General Debate this September, will eventually lead to a clearly-defined and comprehensive peace. We hope that in the months ahead, the Quartet and the regional parties, will help de-escalate the situation, end the cycle of violence and counter-violence, and remove restrictions on the normal functioning of the Palestinian economy and society. This will help create an atmosphere conducive to resuming direct negotiations with a time bound solution that brings peace to this sorely troubled land.

Thank you, Mr Chairman.

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588. Statement by Member of the Indian Delegation to the UN A. Vijaya Raghavan on Agenda Item 18: Necessity of ending the Economic, Commercial and Financial Embargo imposed by the United States of America against Cuba at the 61st session of the UN General Assembly.

New York, November 8, 2006.

Madam President,

We associate ourselves with the statement made by South Africa on behalf of the Group of 77. The embargo and sanctions imposed by the United States against Cuba has been in place for over four decades and has been a subject of discussion in the General Assembly for the fifteenth time in succession.

The embargo has had an impact on the Cuban efforts towards the eradication of poverty, improving livelihoods and promoting socio-economic development. They also hinder the full enjoyment of human rights, such as the right to development, right to food, medical care and social services which, despite these constraints, are of a high order. The American Association for the World Health concluded that in the case of the impact on the Cuban health system, the embargo “caused a significant rise in suffering with patients going without essential drugs or doctors performing medical procedures without adequate equipment”. The embargo also continued to have an impact on food aid deliveries. The negative impact of the embargo in the educational sector is linked to trade restrictions that prevent the purchase of needed inputs at more competitive prices.

They have limited Cuba’s access to markets, capital, technology and investment and are not in conformity with multilateral trading regimes and cannot be justified even under the GATT exception clause of “essential security interests”. In a normal situation, Cuba and the United States would be natural economic partners, benefiting mutually from trade. It is our understanding that a considerable part of US businesses would like to take advantage of the Cuban market. The imports of “food and agriculture” from United States, which account for 13% of total Cuban imports of Cuban “food and agriculture”, reflected the impact of the US legislation enacted in 2000 that eased food and medicine sanctions against Cuba. According to some estimates, the potential loss to US business ranges between dollars one billion to fifteen billion.

This Assembly has pronounced its rejection of the imposition of the laws and regulations with extra territorial impact and all other forms of coercive economic measures. The Assembly had adopted resolutions urging all countries to comply with the Charter and principles enshrined in the legal instruments and to repeal or invalidate all laws and measures that carry “extraterritorial effect”, bearing on the sovereignty of other States, the legitimate rights and interest of peoples or entities under their jurisdiction, and the freedom of trade and navigation. Sanctions, irrespective of their purpose, have to comply with the customary international law principle of non-intervention and proportionality.

We share the views expressed by the countries which have reiterated their opposition to the extra-territorial aspect of the economic embargo that had been implemented in accordance with the 1992 Cuban Democracy Act (the so-called Torricelli Law), and the 1996 Helms Burton Act, through which the extra-territorial reach of the embargo encompasses foreign companies as well as foreign subsidiaries of US companies doing business with Cuba.

Madam President,

India has consistently opposed any unilateral measures by countries, which impinge on the sovereignty of another country. These include any attempt to extend the application of a country’s laws extraterritorially to other sovereign nations. India believes that efforts to consolidate endeavours toward the creation and strengthening of conducive economic environment capable of providing equal opportunities to all countries are required and that the international community also needs to redouble its efforts to have an environment free from sanctions and embargoes.

Thank you, Madam President.

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589. Statement by Member of the Indian Delegation to the UN Mufti Mohammed Sayeed on Agenda Item 56: Group of Countries in Special Situation [A] Third United Nations Conference on the Least Developed Countries, [B] Specific Actions Related to the Particular Needs and Problems of Landlocked Developing Countries; Outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation at the Second Committee of the 61st session of the UN General Assembly.

New York, November 8, 2006.

Madam Chairperson,

We thank the Secretary-General for his reports on the agenda item under consideration today. We would also like to associate ourselves with the statement made by the distinguished representative of South Africa on behalf of the Group of 77.

Madam Chairperson,

The Almaty Programme of Action provides a framework for developing efficient transit transport systems in landlocked and transit developing countries. It recognises the fact that for meaningful and viable solutions to the transport problems of landlocked developing countries, it would be necessary to address the constraints and challenges faced by their transit developing countries in a holistic and integrated manner. Building of roads, railways and ports as well as maintaining physical infrastructure involves high costs. It is imperative that the international community and the donor countries commit additional financial resources and technical assistance for capacity building in physical infrastructure.

We trust that the General Assembly will keep the implementation of the Almaty Programme of Action under review. The proposed mid-term review in 2008 would no doubt provide an impetus to the implementation of goals and commitments contained in the Almaty Programme of Action.

While transit developing countries face many challenges, they take on additional costs of providing transit transport facilities to landlocked countries even when areas in their own countries remain as remote from the sea as those of landlocked countries. The transit developing countries

undertake this in a spirit of co-operation and friendship. India enjoys close and historical links with both its landlocked neighbours, Bhutan and Nepal. India accords the highest priority to enhancing its friendly and good neighbourly relations with them, including through the strengthening of trade relations and cooperation on transit transport issues.

The result is evident. The largest share of foreign investment in one of our land-locked neighbours is from India; and, as per a report of the UNCTAD Secretariat, the transport costs for one of the landlocked neighbours is about one third the average for landlocked countries and half of that for developing countries.

Madam Chairperson,

The Brussels Programme of Action provides the framework for addressing the multifarious challenges confronting Least Developed Countries [LDCs]. Reports considered in the preparatory process for the mid-term review of the Brussels Programme of Action, while recognizing that many LDCs have achieved relatively high rates of economic growth, stressed the need for developing productive capacities in the LDCs for sustained economic growth. UNCTAD's Least Developed Countries Report 2006 underlines that the sustainability of the recent growth performance would depend in particular on the extent to which existing and additional ODA and FDI are channeled into productive investment, while noting that the recent increases in the ODA were largely directed towards debt relief and emergency assistance. It is no coincidence that the mid-term review recognised that the situation in the least developed countries required continued attention of their development partners in the implementation of the Brussels Programme of Action. The development partners thus need to move vigorously in supporting the efforts of LDCs and other developing countries in achieving higher growth rates, improving service delivery and reducing poverty with more and better aid, debt relief and improved market access.

ODA disbursements to LDCs are more than a third short of the agreed target. While private sector investment is important, in several LDCs the physical and social infrastructure is too weak to attract any. Therefore, sequencing is important and fulfilment of the commitment by the developed countries to meet the 0.15-0.20 percent target for ODA to LDCs remains crucial.

The issue of debt is critical for many LDCs. We welcome the Multilateral Debt Relief initiative and look forward to the G-8's political

intentions being fully converted into unqualified commitment. India, on its part, has demonstrated its commitment to help LDCs, which are in a particularly difficult position, in reducing their external debt burden by writing off the debt owed by seven Highly Indebted Poor Countries [HIPCs] who had reached their 'decision points'.

Debt relief through HIPC initiative or MDRI alone is not sufficient unless accompanied with efforts to improve debt management capacity and a proactive approach to assist achieve higher growth, enhanced exports performance and revenue mobilization through better market access and enhanced trade related opportunities. We welcome the steps taken by some development partners to open up their markets to exports from LDCs. The expansion in trade between LDCs and other developing countries has been significant in recent years. The share of LDC exports to other developing countries reached 34 percent in 2002, an increase of 20 percent in less than 15 years. The share of other developing countries in LDC imports increased during the same period by almost 25 per cent and reached 56 percent. These figures are an eloquent testimony to the potential for enhanced South-South cooperation. The launching of the third round of negotiations for the Global System of Trade Preferences holds promise in terms of immensely benefiting both LDCs and other developing countries. India is also in the process of finalising a package for preferential market access for LDC products.

India has been a strong votary of South-South cooperation. We have constantly tried to increase mutually beneficial economic cooperation with all LDCs in general, and with those in our extended neighbourhood, in particular. We have had a programme of economic and technical cooperation for more than four decades, involving the training of many nationals from these countries in Indian institutions and the dispatch of Indian experts in identified areas to them.

Africa has always been a high priority for India and we are strengthening our cooperation through NEPAD and through other efforts such as TEAM-9 for Western Africa. Our commitment in terms of lines of credit and other concessional financial assistance add up to almost US\$ 1 billion. We are also working on a Pan-African Network which would be a major satellite and fibre optic connectivity mission that would cover the entire continent of Africa, enabling a network linking learning centres, universities, hospitals in every country in Africa with counterpart institutions in India that have a proven expertise in these fields.

Thank you, Madam Chairperson.

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590. Statement by Member of the Indian Delegation to the UN Mufti Mohammed Sayeed on Agenda Item 40: Report of the UN High Commissioner for Refugees, Questions Relating to Refugees, Returnees and Displaced Persons and Humanitarian Questions at the 3rd Committee of the 61st session of the UN General Assembly.

New York, November 8, 2006.

Mr. Chairman,

My delegation thanks the UN High Commissioner for Refugees, Mr. António Guterres, for his report and introductory statement which provide an account of activities undertaken by UNHCR as well as his vision for addressing the present and future challenges. We would also like to express our satisfaction on the adoption of the thematic conclusions by UNHCR's Executive Committee in October on Statelessness and Women and Girls at Risk which will contribute towards strengthening of protection framework.

We note with satisfaction from the report that global refugee numbers are now the lowest in last 25 years. Mass outflows of new refugees in 2005 were also the lowest in 29 years. However, recent data indicate a drop in annual voluntary repatriation figures and this negative trend needs to be arrested. Also, there has been a significant increase in the total population of concern to UNHCR primarily on account of new situations of internal displacement.

Mr. Chairman,

We agree with the High Commissioner that protection must remain at the core of UNHCR's work. New challenges arising out of situations of internal displacement should receive greater attention. However, this must not be at the expense of UNHCR's core activities.

The High Commissioner has called for the UNHCR to play a more active role with regard to internally displaced persons. He has reported that UNHCR has assumed the global cluster lead for conflict-induced internal displacement situations in the areas of protection, camp management & coordination and emergency shelter and is undertaking activities in this framework. UNHCR's enhanced focus on IDPs should not result in neglect of refugees, which have the first charge on its mandate and its limited resources. Further, UNHCR's role in situations involving

IDPs should be on the basis of explicit requests by the States concerned. It should also take into account the complementarities of mandates and expertise of other relevant organizations. We welcome the commencement of discussion in the framework of the meeting of the Executive Committee on clarifying UNHCR's role with regard to IDPs and look forward to its continuation. Another area where UNHCR's role requires further discussion and elaboration pertains to mixed migratory flows. With Globalization, we witness more and more situations of mixed migratory flows. We must develop capacities to differentiate refugees from economic migrants so as to better address their protection needs.

Mr. Chairman,

The search for durable solutions to various refugee situations must be intensified. Here, our preference remains for voluntary repatriation. We have seen application of the 4Rs approach of Repatriation, Reintegration, Rehabilitation and Reconstruction in some countries, with positive results. We support extending its application to other programmes. It is also important to ensure timely implementation of rehabilitation and reconstruction initiatives to ensure the sustainability of the reintegration of those who have been repatriated. The protection of refugees must be seen in the larger socio-economic context in which it occurs and in the light of some of the basic causes that are responsible for generating mass displacement, particularly extreme poverty and lack of adequate resources for economic and social development.

The High Commissioner's report outlines measures taken by UNHCR for strengthening implementation of the 1951 Convention and 1967 Protocol. These instruments are indeed the cornerstone of the international refugee protection regime. They were, however, adopted in the specific context of conditions in post World War II Europe. These instruments do not cover a number of issues that are of significance today, particularly the phenomenon of massive refugee flows and mixed migration.

Mr. Chairman,

India's commitment to humanitarian issues is second to none. We host a large number of refugees. Our protection regime is based on the fundamental rights guaranteed by the Indian Constitution and is superior to that in many developed countries. Our efforts in this area have been widely recognised and appreciated, most recently by the Goodwill Ambassador of the UNHCR Ms. Angelina Jolie. We will continue to work in

concert with the international community to address the new and emerging challenges to the international protection agenda.

Finally, Mr. Chairman, we support the High Commissioner's efforts for structural and management reforms, which are aimed at making the organization more flexible, effective and result-oriented. In particular, we welcome his efforts to reduce staff costs which will release much-needed funds to support operations. We also believe that the ongoing efforts to enhance the accountability and transparency in UNHCR's working methods must be continued. The organisation must preserve its impartiality in operations as well as its non-political character and work in close cooperation with the concerned States in achieving its goals.

Thank you, Mr. Chairman.

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591. Statement by Member of the Indian Delegation to the UN A. K. S. Vijayan on Agenda Item 119: Improving of the Financial Situation of the Organisation at the 5th Committee of the UN General Assembly.

New York, November 9, 2006.

Mr. Chairman,

We would like to thank the Controller, Mr. Warren Sach for his presentation of the financial situation of the United Nations. My delegation aligns itself with the statement made by South Africa on behalf of the G-77 and China.

Mr. Chairman,

My delegation firmly believes that unconditional, timely and full payment of legitimate dues is a fundamental obligation which the UN charter imposes on all Member States according to their capacity to pay. In our opinion, it is not just a legal obligation but a moral one as well. Provision of adequate financial resources to the Organization is mandatory, if we expect the implementing entities to deliver the tasks mandated to them. It is all the more distressing when those with more than adequate means are essentially responsible for not paying their dues in full, on time and without conditionality, thereby creating the financial crisis often faced by the Organization. We as Member States need to do some introspection before we simply blame the

managerial and institutional failures as being solely responsible for the alleged inefficiencies and ineffectiveness of the United Nations.

Mr. Chairman,

Our Organization represents the collective will of human civilization. As Member States, it is our solemn duty to provide the Organization with all possible resources for it to execute our will. Millions of lives throughout the globe are dependent on the good work being carried out by the United Nations. It is unfortunate that, time and again, we are confronted with a situation where the Organization's financial viability creates a question mark on its capacity to perform its expected role. We have to decide in our own wisdom whether the financial solvency of the United Nations is in our collective interest.

Mr. Chairman,

While acknowledging that due to payments in the last quarter of 2005, unpaid contributions to the regular budget were down by US Dollar 58 million and currently stood at US Dollar 661 million, we note with concern the uncertainty regarding the position of the regular budget for this year, as it would depend on the action of a few member states in the near future, particularly the largest contributor accounting for nearly 80% of the outstanding dues. It is noteworthy that if the largest contributor were to pay its 2006 assessment in full, the Organization could have cash balance at approximately the same level as at the end of 2005 or else it would have to borrow over US Dollar 200 million from the reserve account. Financial uncertainty is never good for any organization less so for ours. Its sustained presence would derail us from important agenda items that are before us and we would be found guilty before our people for failing to deliver what they expect of us. We, therefore, call for an expeditious correction of the current situation.

Mr. Chairman,

My delegation is also distressed by the fact that as on 31st October 2006 an amount of over US Dollar 2.5 billion is outstanding for peacekeeping operations. As with the regular budget, over half of the total was owed by two Member States. Consequently, the Organization's outstanding obligations to Member States that contribute troops and equipment to peacekeeping operations has been projected to grow by over \$ 300 million this year. Adequate funding of peacekeeping operations is not merely a question of financial book-keeping but it involves a larger issue of the United Nations' credibility and its ability to fulfill the commitments made by the international

community while resolving conflicts in various parts of the world. At the same time, those Member States who have steadfastly contributed troops and equipment to UN peacekeeping operations should not be denied their legitimate dues and be penalized for their allegiance to the principles and purposes of the UN Charter.

Mr. Chairman,

The only way to resolve these issues is for Member States to meet their financial obligations to the United Nations in a fuller and timelier fashion, particularly those who have no legitimate reasons to withhold their obligations.

Thank you, Mr. Chairman.

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592. Statement by Member of the Indian Delegation to the UN A. K. S. Vijaya on Agenda Item 148: Report of the Committee on Relations with Host Country at the 6th Committee of the 61st session of the UN General Assembly.

New York, November 9, 2006.

Thank You Mr. Chairman

The Committee on Relations with the Host Country is a useful forum for addressing the issues related to the functioning of Member States' missions and for enabling their representatives to perform their functions without any hindrance.

This year the Committee had examined a number of problems related to transportation, privileges and immunities of diplomatic personnel, entry visas and the host country's travel regulations. The open and transparent exchanges of views in this forum prove helpful in understanding and addressing the issues in question.

We appreciate the United States commitment as the host country to fulfill its obligations under the Convention on the Privileges and Immunities of the United Nations and the Host Country Agreement, to accord facilities

to the missions accredited to the United Nations to ensure their smooth functioning.

The issue relating to imposition of municipal taxes on diplomatic missions is one such issue to which the host country is giving due attention.

Mr. Chairman,

We recognize that the host country has a right to monitor and control entry into its territory and to adopt the requisite security measures it deems necessary. This has to be balanced, one the one hand with the right of the delegations to participate in the work of the United Nations and on the other to ensure that the delegations do not misuse their privileges and immunities.

We welcome the steps taken to address the parking problems of diplomatic missions through the efficient implementation of the Parking Program for Diplomatic vehicles and hope that the remaining issues in this respect, including the request for parking slots by our Mission, would also be addressed soon.

Thank You Mr. Chairman

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593. Statement by Member of the Indian Delegation to the UN Shatrughan Sinha on Agenda Item 68: Human Rights Council Report at the 61st session of the UN General Assembly.

New York, November 10, 2006.

Madame Chairperson,

My delegation thanks the President of the Human Rights Council for forwarding the Report of the Human Rights Council. We convey our appreciation to him for steering the work of the Council in an effective and efficient manner.

My delegation also conveys through you, Madame Chairperson, to the President of the Council our full support in his endeavours.

At the outset, we would like to express our satisfaction over the decision adopted by the UNGA on consideration of the Report of the Human Rights Council. As the HRC is a subsidiary body of the UN General Assembly, it is natural that all reports and recommendations of the HRC be transmitted to the GA Plenary through the Third Committee, where the expertise on human rights issues resides. However, we are conscious of the delays that may occur in consideration of the Report if it were to be referred to the Third Committee in its totality, given the different schedules of the two bodies. We also recognise that the HRC began functioning since June 2006, and hence there is a need to adopt a flexible approach during the first year, and to formalize the reporting arrangements between the UNGA and the HRC based on our experience over the next year.

Madame Chairperson,

The creation of the new Human Rights Council by the UN General Assembly reflects the collective resolve and commitment of the Member States to constantly adjust and improve the framework for addressing human rights challenges. It remains our expectation that the new body in its work would be guided by the spirit of cooperation and mutual understanding. We hope the HRC would evolve an even-handed approach in its promotion and protection of all human rights and translate the Right to Development into a reality. It should promote human rights through international cooperation and genuine dialogue among Member States, including capacity-building and mutual assistance, and emerge as a forum for voluntary participation and sharing of national experiences and best practices in promotion and protection of all human rights and fundamental freedoms.

Madame Chairperson,

The UNGA resolution establishing the Council defined the broad parameters of the Council's architecture. It also mandated the Council to develop the modalities of its new mechanisms within one year. The Council is also required to improve and rationalise all mandates, mechanisms and functions and responsibilities of the former Commission on Human Rights.

The HRC has so far held two regular and two special sessions. As we note from the Report, the Council has set up two inter-governmental Working Groups to devise Universal Periodic Review mechanism and to undertake the review and rationalisation of mandates and mechanisms of the former Commission on Human Rights. Meanwhile, the Council has taken interim decisions to facilitate uninterrupted functioning of the existing mandates during the transitional period.

The Council also took action on substantive human rights issues, most notably its recommendations to the UNGA on the adoption of the Declaration on the Rights of Indigenous Peoples and the International Convention for the Protection of All Persons from Enforced Disappearance. We note with satisfaction that the mandate of the Working Group on the Right to Development has been extended by one year. Further, by holding two special sessions, the HRC has demonstrated its ability to swiftly react to human rights emergencies.

We remain conscious of the enormous challenges ahead of the HRC in defining and operationalising its architecture. Some progress in this regard has already been made within the framework of informal meetings of the two Working Groups. However, a lot remains to be done and therefore the focus of the Council's work during the remainder of the year should be on institution-building. The success of the Human Rights Council would, to a large extent, depend on the outcome of these processes.

Madame Chairperson,

India had actively and constructively participated in the multilateral negotiations that led to the establishment of the new Human Rights Council. We remain committed to continue to work to make the Human Rights Council a strong, effective and efficient body capable of promoting and protecting human rights and fundamental freedoms for all.

Thank you, Madame Chairperson.

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594. Statement by Member of the Indian Delegation to the UN A. Vijaya Raghavan on Agenda Item 57: Eradication of Poverty and other Developing Issues: [A] Implementation of the First UN Decade for Eradication of Poverty 1997 – 2006 at the 2nd Committee of the 61st session of the UN General Assembly.

New York, November 10, 2006.

Madam Chairperson,

We thank the Secretary-General for his reports under this agenda item. The annual consideration of this item in the Second Committee affords

us an opportunity to take stock of the progress achieved so far, to identify the bottlenecks and to put in place appropriate responses to overcome these bottlenecks. Ten years after the launch of the first United Nations Decade for Eradication of Poverty, the international community is still devising effective mechanisms to eradicate poverty; the progress on meeting the Millennium Development Goal (MDG) target of halving extreme poverty and hunger by 2015 presents a stark and grim reminder that so much still remains to be done.

Madam Chairperson,

The challenge is formidable. We need a strategy for development which focuses on economic growth on a broad front with specific programmes designed to address human development issues. We shall confine ourselves to three issues: the factors (mainly economic) that seem responsible for continued poverty; an attempted answer to “What is to be done?” especially by the United Nations; and the lessons of the Indian experience and whether it is replicable.

Poverty and internal conflicts are often not simply the legacy of the colonial past or the result of current poor governance but are epiphenomena of liberalisation and the policies of international economic institutions. The imperative of liberalisation and attracting foreign capital is inevitably accompanied by risks; low tax-GDP ratios reinforced by IMF style structural adjustment reduces investment in the social infrastructure, especially health and education. Such policies in some regions have additionally had a negative impact on rural infrastructure and food security. The problems of sub-Saharan Africa amply demonstrate the systemic impact of such policies. There thus exists a justifiable role for the United Nations to provide direction in the reform of international financial and trade systems to enable them to constructively and effectively support national efforts in eradication of poverty.

Sub-Saharan Africa has suffered a setback since the 1990s and needs our cooperation and support in meeting the MDG goals. East Asia and the Pacific and South Asia are on track to achieve the target of halving extreme poverty at the national level by 2015; this provides a basis for South- South cooperation.

India’s 500 million dollars highly concessional credit lines to West Africa; more than 200 million dollars to NEPAD; grants of essential medicines; debt cancellation for the HIPC countries; scheme for duty free

access to our market for LDC exports; substantial programmes of technical cooperation and capacity building; and the dedicated satellite and fibre optic connectivity mission for Africa are some of the ways in which we seek to assist.

Madam Chairperson,

The role of the international community in making available financial resources, transferring technology and providing support for building human and institutional capacity to the developing countries is crucial. While private sector investment is important, in this region the physical and social infrastructure is sometimes too weak to attract any. Therefore, sequencing is important and a commitment to 0.7% target for ODA by developed countries, as also innovative sources of financing are crucial. So also in the case of debt cancellation by the developed world conditionalities on encouraging privatization would only recreate the conditions that led to debt in the first place. For defending livelihoods, sovereignty of the state is important and disciplines that erode policy space and autonomy need to be reformed. Minimizing the vulnerabilities of the poor farmers must be our collective priority. Proportionately lower overall tariff reduction commitments and operable and effective development instruments of Special Products and Special Safeguard Mechanism are the essential components of securing food security, livelihood security and rural development needs of developing countries. The overarching principle of special and differential treatment, therefore, remains a categorical imperative. It would also be important for developing countries to maintain flexibilities and policy space, in the context of non-agricultural market access, in order to avoid the danger of deindustrialisation for some developing countries, which would impact adversely and severely on their efforts towards eradication of poverty.

Madam Chairperson,

India has evolved a national strategy that complements acceleration of economic growth with focus on the provision on basic services for improving the quality of life of the poorer segments through specific and targeted poverty eradication programmes, including creation of opportunities for employment and income-generation. The "Sarva Shiksha Abhiyan" (Universal Education), the Public Distribution System which makes food available to every household at an affordable price; the Integrated Child Development Scheme; the Mid-day Meal Scheme for school children are some of the programmes launched in India in recent years. The National Rural Employment Guarantee programme, as envisaged in the Common

Minimum Programme, launched in 2006 makes the right to work a fundamental right. It provides 100 days assured employment annually to every rural household. Such rural regeneration measures coupled with innovative rural health missions and expansion of the Universal Elementary Education Scheme would help address poverty in a holistic manner. As part of our social integration policies, the “Right to Information Act” passed by the Indian Parliament would lend voice to the citizens for accessing Government policies. The success of the anti-poverty strategy is reflected in the decline in the poverty ratio from 38.9% in 1987 to 26.17% in 2000. New Programmes are expected to assist India in meeting its commitment to reduce poverty ratio by further 5% points by 2007 and 15% points by 2012.

The lessons of the Indian experience are in general replicable though sequencing is necessary. Liberalization of the economy has to follow a certain level of development of economic and scientific capacity. The Kuznets Curve is a myth: inequality and high growth do not automatically eventually lead to greater equality and social justice; therefore direct anti poverty programmes are necessary. Adam Smith’s invisible hand is totally invisible because it does not exist: the State’s role is as important as the market’s. Education is an absolute must and, on this basis, a strong incentive for the rapid development of science and, technology and its application to most socio-economic areas.

Madam Chairperson,

We welcome the momentum generated by the International Year of Microcredit in 2005 towards creating an enabling environment to fully exploit the role of the microcredit and micro-finance as tools for poverty eradication. We share the view that microcredit is a useful tool in building the capacities of the poor in management of sustainable self-employment activities, besides providing them other financial services like savings, consumption credit, housing and insurance. It is important to address the issue of requirement of funds for capacity-building and other support systems for establishing microcredit and micro-finance institutions in those developing countries where they are not present now.

Thank you, Madam Chairperson.

595. Explanation of the Vote after the Vote by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on A/C. 3/61/L.17 titled: International Convention for the Protection of all persons from enforced disappearance.

New York, November 13, 2006.

Mr. Chairman,

India has consistently supported efforts to deal with the problem of enforced disappearance. We believe that the most effective instrument for prevention of enforced disappearance is the guarantee of a State that it respects civil and political rights and will fulfil its obligations to its people. We also consider that the existing body of international human rights law and international humanitarian law, if reinforced by adequate political will and resources, provides a comprehensive framework to tackle this unacceptable phenomenon. What is needed is the enforcement and implementation of the law by the State. The international community must, therefore, focus primarily on strengthening national capacities of States in this regard.

It is against this as a backdrop that India had approached the negotiations for a legally binding instrument on enforced disappearance. However, we were not convinced about the need for a separate Convention or the creation of a new monitoring body to deal with this issue. In our view, an Optional Protocol to the International Convention on Civil and Political Rights would have provided a preferred solution.

It also remains of concern to us that the text still retains certain drawbacks. Thus, the 'constructive ambiguity' in the definition of enforced disappearance creates two different standards of proof for the same crime, one here and another in Rome Statute. The missing element of 'intent' and 'knowledge' in the definition will not help in easing the burden of proof as *mens rea* is an essential element for criminalisation of any act. Accordingly, we would have preferred if 'intent' had been more clearly incorporated in the definition of 'enforced disappearance'. Furthermore, the exclusion of non-state actors from the definition ignores contemporary threats, which require our collective and determined response.

Having said that, Mr. Chairman, given our commitment to deal with enforced disappearance and recognizing that States have different legal systems and national contexts that make it unrealistic to expect complete

agreement on all aspects of this issue, we have joined others in adopting this international instrument. We have done so with the following understanding:

First, it is our interpretation that this instrument allows national jurisdictions to criminalize the offence of enforced disappearance in accordance with their respective legal systems and constitutional procedures.

Second, as regards remedy and compensation, there is no statutory right to compensation in a Common Law system such as India's. However, the Indian judiciary, at all levels, as well as the National Human Rights Commission of India, regularly grant remedy and compensation to victims of human rights abuse.

Thank you, Mr. Chairman.

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596. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 69 [A], [C] & [D]; Strengthening of the Coordination of Humanitarian and Disaster Relief Assistance of the UN including Special Economic Assistance at the 61st session of the UN General Assembly.

New York, November 13, 2006.

Mr. President,

We would like to thank the Secretary-General for the reports that have been prepared for the discussions under this agenda item. We appreciate the candid approach adopted in the report that identifies the areas of improvement even as it describes the positive developments.

Mr. President,

The Central Emergency Response Fund was launched in March this year to address the concern regarding allocation and availability of resources for humanitarian assistance and to enable the UN to provide timely humanitarian assistance evenly across emergencies. India strongly supported this initiative out of our conviction that, through this reform measure, the UN would be better positioned to assist developing countries in their hour of need in the aftermath of a disaster. India demonstrated

solidarity with the international efforts aimed at addressing the needs of developing countries for emergency humanitarian assistance through pledging a contribution of US \$2 million to the CERF at its launch in New York (half of which has already been disbursed).

As promised by the Secretary-General, detailed information on the use of CERF has been provided to Member States. The report indicates that CERF has made good progress towards its objectives of promoting early action and response to reduce loss of life and enhancing UN humanitarian assistance to time-critical needs in the aftermath of disasters and in under-funded emergencies. We note that the Emergency Relief Coordinator has focused on the need for timely allocation and disbursement of CERF funds. We also note with satisfaction that, despite the implementation being at an early stage, CERF has enabled humanitarian assistance to be made available within 72 hours. We encourage the Emergency Relief Coordinator to continue efforts to address administrative delays and streamline application processes. While appreciating the need for completing the requisite paper work prior to disbursement of funds, there is need for balance so that developing countries are not burdened by excessive paper work at a time when the capacities of their authorities are stretched in coping with the aftermath of a disaster.

We have perused with interest the note on the meeting of the Advisory Group of CERF, held in Geneva in October 2006. We note that the Advisory Group made some substantive recommendations for further improvements, such as through the consideration of an umbrella letter of understanding, delegation of authority and development of additional standardized templates. The Advisory Group also emphasized the importance of a field-driven approach. We would suggest that the recommendations of the Advisory Group, including those related to the decision to undertake field visits to implementation sites, be examined by the Emergency Relief Coordinator and his recommendations brought to Member States for their consideration.

Mr. President,

India is committed to the Guiding Principles for the provision of humanitarian assistance contained in the annex to GA resolution 46/182. We believe that humanitarian assistance must be provided in accordance with the principles of humanity, neutrality and impartiality. We recall that the Guiding Principles enjoin that sovereignty, territorial integrity and national unity of States must be fully respected and that humanitarian assistance should be provided with the consent of the affected country and in principle, on the basis of an appeal by the affected country.

In this context, we are concerned at the recommendations of the report on “humanitarian access”, which are not in line with the scope of the Guiding Principles of resolution 46/182. We have been encouraged by the achievements that the UN has made through the establishment of CERF. These gains can be consolidated and built upon by retaining the neutrality and non-political character of UN humanitarian assistance. The Fourth Geneva Convention Commentary defines humanitarian as “being concerned with the condition of man considered solely as a human being, regardless of his value as a military, political, professional or other unit” and “not affected by any political or military consideration”; country ownership is crucial and this should be genuine and not disingenuous. Humanitarian assistance is aimed at relieving immediate suffering only and therefore ensuring all this should be relatively easier. The report appears to project the Guiding Principles on Internal Displacement as standards for countries to follow. The Guiding Principles were developed on the basis of experience of massive displacement in war and conflict situations. The Secretary-General’s reports in the past have acknowledged that adequately assisting IDPs requires knowledge and understanding of the specific context in which the disaster occurred. India believes that well functioning and stable Governments with strong national and legal institution can and do take care of their IDPs. They are also best placed to understand their own national context and legislative requirements.

Mr. President,

The report recommends the strengthening of local, national and regional capacities for preparing and responding to humanitarian emergencies. India has strengthened its disaster preparedness and response capacity over the past several years. The aftermath of the Tsunami disaster further spurred these efforts. The Disaster Management Act 2005 envisages a holistic and comprehensive approach to disaster management with a greater focus on prevention, mitigation, preparedness and capacity building. The National Disaster Management Authority (NDMA), chaired by the Prime Minister, has been created with the provision for similar organizational arrangements at the state and District levels. Some states have already taken action in this regard. The NDMA has formed core groups to formulate strategy and guidelines to mitigate effects of disasters, such as earthquakes, cyclones, floods, and chemical and industrial disasters. The Disaster Risk Management Project is being implemented jointly with the UNDP in 169 districts with high vulnerability to natural disasters and includes the important elements of community preparedness and community capacity building. The process for the

creation of disaster Response Teams for providing a specialized response has started and is looking at equipment and training needs. The political economy of humanitarian assistance is broader – touching on ethics (the principle of negative action is that not doing enough and letting death and disaster happen is as bad as inflicting death and disaster); economic development (it is the poor that often bear the brunt of natural disasters); science and technology (in India satellite based early warning systems have greatly mitigated if not eliminated the consequences of cyclones and we hope would do the same for any future Tsunamis and we have always been prepared to share the technology with developing countries).

Mr. President,

We note that, as desired by Member States, the report recommends other areas of improving the delivery of UN's humanitarian assistance, including through the improvement of UN coordination activities at the field level. The report cites the 'cluster leadership approach' as an effort in this direction and recommends that at the country level, 'cluster lead agencies' should collaborate closely with Government partners. We believe that there is need for further information and understanding of this approach, especially from the perspective of the receiving countries where this approach has been implemented so far. In keeping with the basic principles that guide the work of the UN at the country level, we recommend that this approach be implemented at country level with the consent of and under the leadership of the national government of the affected State. An evaluation of the effectiveness of the 'cluster approach' in enhancing coordination amongst UN agencies, taking into account the financial costs incurred in implementing the approach, and incorporating the inputs of the affected States, should be presented to Member States. We agree with the Secretary-General that the cluster approach can only be considered as a first step, and not as a solution.

We are happy that the report has devoted considerable attention to the issue of chronically under-funded emergencies. We note that the report recommends development of indicators for humanitarian assistance. We recommend that this issue be discussed carefully at the intergovernmental level, in the first instance.

Thank you, Mr. President.

597. Statement by Minister at the Permanent Mission at the UN Mrs. Ruchi Ghanashuyam at the 2006 United Nations pledging Conference for Development Activities at the 61st session of the UN General Assembly.

New York, November 15, 2006.

Mr. President,

Allow me to congratulate you, and other members of the Bureau, on your election as Chairman of the 2006 UN Pledging Conference.

India is strongly committed to the development agenda of the United Nations and is convinced of the need to accord to it the highest importance.

Along with other developing countries, India believes that the development agenda represents a shared global commitment to poverty alleviation transcending national borders. We are convinced that participation in this Pledging Conference is a demonstration of a Member State's continued faith in the development agenda of the United Nations.

India's voluntary contributions to the Funds and Programmes of the UN system are symbolic of our commitment to multilateralism and to international solidarity in the process of development and poverty eradication. Our contributions, though modest, have been the largest from the South and at times larger than those of some OECD countries.

Mr. President,

I have the honour to announce India's pledges of contributions for operational activities for development of the UN system for the year 2007. These are as follows:

- i) United Nations Development Programme (UNDP) \$ 4.5 million
- ii) World Food Programme (WFP) (for the biennium 2007-08) \$ 1.92 million
- iii) UN Children's Fund (UNICEF) \$ 900,000/-
- iv) UN Population Fund (UNFPA) Indian Rs. 9 million (Approximately US \$200,000/-)
- v) UN Development Fund for Women (UNIFEM) \$ 20,000/-

- vi) UN International Research & Training Institute for the Advancement of Women (INSTRAW) \$ 1,100/-
- vii) United Nations Environment Programme (UNEP) \$ 100,000/-
- viii) UN Centre for Human Settlements (HABITAT) \$ 80,000/-
- ix) UN International Drug Control Programme (UNDCP) \$ 300,000/-
- x) UN Relief & Works Agency for Palestine Refugees in the Near East (UNRWA) \$ 20,000/-
- xi) UN Volunteers (UNV) \$ 15,000/-
- xii) UN Crime Prevention and Criminal Justice Fund (UNCP&CJF) \$ 3,000/-

Thank you, Mr. President.

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598. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the 10th Emergency Session of the United Nations General Assembly.

New York, November 17, 2006.

Your Excellency, Madame President,

I thank you for convening this resumed Emergency Session of the General Assembly on a matter of grave and abiding concern to the international community—the situation in the Middle East, in particular, the core reason for instability in this region: the question of Palestine.

Madame President,

We share the deep concern voiced by many delegations at the deteriorating situation in Gaza, and the recent tragic and terrible loss of life in the region. We also share the deep sense of sorrow at the tragic tale of death, destruction, injury and misery that has been visited upon so many families, as tragedy continues to unfold over the past few months. The loss of 19 lives on November 8 at Beit Hanoun is set in the depressing context of a wider tragedy in the Middle East.

Madame President,

While we join other delegations in conveying our heartfelt condolences to all bereaved families at the losses they have suffered, we

believe some form of action is essential to avoid further tragedies. We have noted the announcement by the Government of Israel of an inquiry into this incident. We hope that its results will be publicized, and that action will be taken swiftly against those responsible. We also note that the draft resolution that is before us calls for a fact-finding mission to the region. We hope that the mission returns not only with a reconstruction of the events of that tragic morning, but also with suggestions to avert the repetition of similar tragedies. These recent incidents only reinforce our conviction that moral courage of a very high order is needed to break the vicious circle of violence and counter-violence.

Madame President,

It was not long ago that the situation in the Middle East looked more promising. Just last year, we had welcomed the implementation by Israel of its disengagement plan from the Gaza Strip and parts of the West Bank. At that time, India described this as a significant first step that, we hoped, would culminate in a mutually acceptable, negotiated settlement in accordance with the Roadmap and relevant UN Security Council resolutions. We had also hoped that democratic elections in the Palestinian areas and the formation of a new governing coalition in Israel would stimulate a welcome resumption of the peace process, just as we hoped that all concerned would show flexibility to produce compromises that are essential to transcend rigid positions.

Tragically, the outcome is the opposite. We have watched with growing alarm as the reluctance of the international community to deal with the newly-elected Palestinian government has led to both an almost-complete suspension of international assistance, as well as the withholding of Palestine's share of taxes and revenues. The resultant near-total collapse of the Palestinian economy fuels an already volatile situation, particularly among disaffected youth. Renewed rocket attacks and suicide bombings in Israel have led to civilian casualties. The abduction of an Israeli soldier led to a disproportionate and unjustifiable massive military retaliation, besides the detention of elected Palestinian representatives and Cabinet ministers. No dialogue is possible in such circumstances. The use of force and the evisceration of countervailing power can only deepen the crisis by deepening the sense of loss.

We all agree that violence will produce no durable solution—this can only come from meaningful, sincere and result-oriented dialogue; a dialogue aimed at finding a way forward. India has always advocated a

peaceful settlement from the very beginning. To give just one example, Jawaharlal Nehru in a note on Palestine, recorded as early as April 4, 1948, envisaged a federation in Palestine with fully autonomous Israeli and Palestinian units. It is in this context that we have consistently urged a resumption of direct dialogue, based on the Quartet Principles. Towards this end, we have joined the vast majority of countries who consistently affirm their commitment to a negotiated two-State solution, accepted by the two principals, that would result in a viable, contiguous, sovereign and independent Palestinian State, existing side-by-side with Israel in peace and security. We have regularly reaffirmed that the Roadmap, as endorsed by Security Council resolution 1515, remains the fundamental framework to resolve this bitter conflict. We support the call of Secretary-General to consider innovative ways by all sides in order to fully implement the Roadmap which would lead, without delay, to a solution to this conflict, based on relevant UN resolutions, including Security Council resolutions. A source of anxiety is that continuing to sow dragon teeth would make a viable state extremely difficult, besides creating bitterness for generations. Some simple and moving words of Edward Said, written in New York on January 10, 1992, remain pertinent: "If Israelis and Palestinians can have any decent future, it must be a common one, not based on the nullification of one by the other".

Madame President,

We cannot but be deeply concerned by the humanitarian cost that is often overshadowed by the larger, more gruesome headlines that violence begets. The spiral of chaos and violence has long-term implications for stability of the entire region. We call for adoption of urgent measures, to improve the humanitarian and economic conditions of the Palestinian people. In this context, we welcome the announcement two months ago by Quartet Principals, of the continuation and extension of the Temporary International Mechanism, to provide a channel for the donor community to extend assistance directly to the Palestinian people.

We have launched our own modest efforts to help avert a larger humanitarian crisis in Palestine. Apart from earlier announcements of assistance, including a grant of US\$15 million announced during President Abbas' visit to India last May, we have recently delivered the first tranche of medicines and medical supplies that formed part of an announced humanitarian assistance package worth US \$ 2 million.

In conclusion, Madame President, we hope that the Quartet and all

relevant regional players will work to de-escalate the situation, end the cycle of violence and counter-violence, and avert the humanitarian crisis which presently faces us.

I thank you.

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599. Statement (expanded and adapted from extempore remarks) by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Items:47: Integrated and coordinated implementation of and follow-up to the outcome of the major United Conferences and Summits in the economic, social and related fields; 112: Strengthening of the United Nations Systems; 113: Follow-up to the outcome of the Millennium Summit, and 149: United Nations Reform: measures and proposals; joint debate at the 61st session of the UN General Assembly.

New York, November 20, 2006.

Madam President,

We thank the Secretary-General for the reports prepared for this joint debate on the integrated and coordinated implementation of and follow up to the outcomes of major UN conferences and summits in the economic, social and related fields.

Madam President,

The need for an integrated and coordinated implementation of the outcomes of the major UN conferences and summits to address the inter-linkages in their outcomes, even while separately pursuing their respective individual outcomes, has been long acknowledged. GA resolution 57/270B recognized the need for such coordinated and integrated follow up. The issue of conference follow-up has been on the agenda of the Economic and Social Council and the General Assembly for several years.

The first and foremost issue in conference follow-up is the issue of implementation. Resolution 57/270B stresses the need for implementation.

Subsequent GA resolutions, including the 2005 World summit Outcome, have repeatedly reinforced this emphasis. Most recently, the development follow-up resolution (A/Res/60/265) emphasized the urgent need to fully implement the global partnership for development and enhanced the momentum generated by the 2005 World Summit Outcome. Without implementation, we would be caught in the cycle of following up the outcome of a Conference by having another conference.

Implementation should be understood broadly to include interpretation, resources, building further on what is unclear or incomplete and doing this in terms of the evolving reality outside. In the ECOSOC Resolution we adopted earlier this morning we looked at problems of resources and interpretation. We need to build in terms of real developments outside which we should closely examine, besides also taking up the unfinished agenda of comprehensive reform.

The two main characteristics of the global economy are multinational corporations where production truly takes place in many countries and financial transactions that have totally outstripped exchanges of goods and services and involve a search for speculative profits. The Bretton Woods Institutions and the WTO have totally modified the original Keynesian mandate and have become the underpinning and global institutional framework facilitating this search for profits.

Developing countries need a rule based multilateral order much more than the developed countries. But these rules, to enable them to succeed, have to be truly fair and not geared entirely, as they are at present, to achieving the economic objectives of the developed world. Therefore, a fundamental reform of international monetary, financial and trading institutions is essential to underpin new and truly fair rules.

The original third pillar of Bretton Woods, was the stillborn ITO. Its agenda put full employment first. It recognised that liberalising trade and getting prices right would not be enough to maximise global welfare. Separate action on employment was necessary. This corrective remains relevant. Even the MDGs cannot be achieved without the right framework. There are many developing countries, including in Africa, where the institutions or infrastructure for private investment simply does not exist. Therefore delivery on ODA target of 0.7% of GNI is critical. Even in more advanced developing countries that may not need ODA and that have institutions and infrastructure "we must recognise that even as private initiative is encouraged, public systems need to be reinvigorated". This is true of physical infrastructure,

irrigation, education and public health. The impasse in the Doha Round of Trade Talks has shown that while national borders should not matter for trade and capital flows, we should not raise the issue of technology and labour flows; while subsidies are bad for industrial sectors we should not talk about agricultural subsidies; while the private interests of IPR holders are sacrosanct, we should not discuss the public interest or protecting the biogenetic resources of developing countries. As for the IMF, we have seen its self admitted mistakes, its bail out packages that not only did not work but made the crisis worse, its inability to prevent countries on the eve of civil conflict plunging deeper into it.

Therefore, it is critical for ECOSOC (a beginning has been made in the Resolution just adopted) to periodically evaluate international economic policies which includes the policies of these institutions under the guidance of the General Assembly which should address the mounting problems in the world outside.

The vitality of the UN system rests on the strong and effective role of the General Assembly as the chief deliberative, policy making and representative organ of the United Nations. India, like several other Member States, emphasized the need to reinvest the General Assembly with the powers that it should enjoy in accordance with the Charter. Efforts to revitalize the General Assembly by strengthening its role and enhancing its authority to perform its functions as laid out in the Charter call for both procedural and substantive measures. The marginalization of the General Assembly because of the encroachment by the Security Council into its jurisdiction has been a repeated concern of the wider membership of the UN. The functions and powers of the General Assembly and the Security Council are clearly defined in the Charter. There is need for respecting and maintaining the balance between the principal organs of the United Nations in accordance with their respective roles as laid down in the Charter.

The General Assembly adopted a detailed resolution very recently in the 60th session of the UNGA. Effective implementation and follow up on the recommendations contained in the resolution is a necessary part of the process of revitalizing the GA. It is also important to re-establish the Ad Hoc Working Group on the Revitalization of the General Assembly to consider measures that would enable it to play its mandated role in issues of peace and security, development, management (including human resource management), and the progressive development of the international law and its codification.

Some recent reports commissioned at great cost have revived discredited ideas like governance. Governance is the greatest encroachment of all because it seeks to recreate the General Assembly and its Fifth Committee in the image of the Security Council – the dominance of a few.

Madam President,

Any true reform of the United Nations without a comprehensive reform of the Security Council would be like Hamlet without the Prince of Denmark. It would leave untouched the present correlation of power which is a fetter on solutions and a part of the problem. There is effectively one veto in the IMF and five vetoes in the Security Council with no countervailing power of other countries to ensure a measure of optimality. Without a thorough going reform even the fundamental problems of the economy cannot be effectively tackled. Political will is required to transform thought into practical energy – this is the only law of thermodynamics that is needed here. On the present balance between the Security Council and the General Assembly I once adapted a saying of Robespierre in another forum: power without virtue is pernicious but virtue without power is helpless. However, this is not a question of power alone but of public reason and equity, not politics but ethics.

Madam President,

India believes that the reform of the United Nations that establishes a just, fair and equitable balance of power and responsibilities among the General Assembly, the Security Council and the ECOSOC must be pursued as an ongoing and transparent process. Many years ago, Ralphe Bunche, a citizen of USA and the first UN official to receive the Nobel Peace Prize, spoke of radical change, stating that “the UN has no vested interest in the status quo.” We believe that vested interests today should not be allowed to ensure the continuation of status quo at the UN. To use some moving phrases spoken in New Delhi recently we want a United Nations that would not be dominated by “power politics, military might and division” but would be “a global force for peace, progress and prosperity”. While these were spoken in the context of India’s outlook they are equally applicable to UN reform and encapsulate our approach.

600. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Agenda Item 14 : The Question of Palestine at the 61st session of the UNGA.

New York, November 30, 2006.

Madame President,

Thank you for scheduling sufficient time for a discussion on an issue that warrants the attention of the international community to an extent that few others do: the Question of Palestine, set as it is, in the larger context of the Situation in the Middle East.

We have listened with attention to the many preceding speakers. The grim perspective that has informed most statements is particularly striking. The same pessimistic outlook is visible in the report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and the Secretary General's report of September this year on the Question of Palestine. Sadly, despite repeated and detailed consideration of this matter at this august forum and elsewhere within these premises, we remain no closer to a solution than we were at this time last year.

Madame President,

The events of the last few months have been deeply distressing for all concerned, set as they are in the tragic context of a growing humanitarian crisis, a collapsing Palestinian economy, the absence of dialogue, and an intensification of the vicious circle of attacks, reprisals and counter-attacks. All of this exerts an immediate and a long term impact on the lives and psyche of the people, as well as the infrastructure of daily life in the entire region. No justification makes any of these developments more palatable, irrespective of whether the victims are Israeli or Palestinian. The current context not only reduces the possibility of productive dialogue, it also lessens the prospect of any genuine efforts to move towards a solution in the near future.

Madame President,

Violence and the use of force will not only not produce a durable solution, it could well postpone moves towards any solution, quite apart from creating conditions for a further exacerbation of the situation. While this has been stated several times before, and in many eloquent ways, yet this central truth bears repetition: a just, fair, durable and credible solution

to this vexed problem can only come from 1 meaningful, sincere and result-oriented dialogue; not a session of recriminations based on apportioning blame, but a dialogue that is genuinely forward-looking.

It is in this context that India has consistently urged the resumption of a direct, face to face dialogue of principals, based on the Quartet Principles. We also remain convinced that the Roadmap, as endorsed by UN Security Council Resolution 1515, remains a valid framework of reference for an eventual settlement, even though its originally-envisioned target date for a settlement has already passed last year.

Towards this end, we are with the overwhelming majority of countries who consistently affirm their commitment to a negotiated two-State solution, accepted by the two principals, that would result in a viable, contiguous, sovereign and independent State of Palestine, existing side-by-side with Israel in peace and security. We support the call of the UN Secretary-General to consider innovative ways by all sides in order to fully implement the Roadmap and thus lead, without delay, to a just, fair, equitable and mutually-acceptable solution to this conflict, based on relevant UN resolutions, including Security Council resolutions.

Madame President,

We cannot but be deeply concerned by the heavy humanitarian cost that is sometimes overshadowed by the larger, more gruesome headlines that violence begets. The spiral of chaos has long-term implications for the stability of the entire region. We reiterate our call for the adoption of urgent measures to improve the living conditions of the Palestinian people. The impact of the collapsing economy, outlined in the Secretary General's report, carries the portents of a dramatic humanitarian disaster in the making. It is our collective responsibility to ensure that it is averted at all costs.

Madame President,

In conclusion, we would like to reiterate our sincere hope that the Quartet and all regional states will resume efforts to de-escalate the situation, and take proactive steps to avert the humanitarian crisis that otherwise appears inevitable. We also believe that our overall objective must be to move the dialogue forward, if nothing else, by creating a favourable environment for its resumption by the principals. As the UN Special Coordinator for the Middle East Peace Process said last week, "only the Palestinians can convince Israel that they can be peaceful neighbours, and only Israel can persuade Palestinians that a two-State

solution is available and can be worked towards". We must work to make this happen in the shortest possible time.

Thank you, Madam President

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601. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 47: Integrated and Coordinated Implementation of and Follow-up to the outcome of the Major United Nations Conferences and Summits in the Economic, Social and Related Fields and 113: Follow-up to the outcome of the Millennium Summit – Specific meeting focused on Development at the 61st session of the UN GA.

New York, December 6, 2006.

Madam President,

We are happy to participate in the specific meeting focussed on development. We thank the Secretary-General for the reports on the integrated and coordinated implementation of and follow-up to the major UN conferences and summits in the economic, social and related fields. We associate ourselves with the statement made by South Africa on behalf of the Group of 77.

Madam President,

For developing countries, the centerpiece is development. Since the Millennium Summit in 2000, the progress towards achievement of Millennium Development goals has been uneven and the ongoing levels of human deprivation remain stagnant. The challenges remain most pressing in Africa, particularly sub-Saharan Africa, where the proportion of people living in extreme poverty is essentially unchanged since 1990 and the absolute number has increased dramatically. It is no coincidence that the 2005 World Summit reaffirmed that the realization of Millennium Development goals would require stronger international cooperation for development and stressed the need for the United Nations to play a fundamental role in the promotion of international cooperation for development. The United Nations played a creative and critical leadership

role in shaping the international economic agenda in the 1970s. It has to do so again. The agreement on the follow-up to development commitments and goals is a welcome step.

The development follow-up resolution 60/265 emphasised the urgent need to fully implement the global partnership for development and to enhance the momentum generated by the 2005 World Summit, in this sense it recognised the need for a shift in debates from principles to practicalities or, in other words, from normative debates to a phase of implementation. Implementation should be understood broadly to include resources as well as interpretation – building further on what is unclear or incomplete and doing this in terms of the evolving reality outside. We need to look at problems of resources and interpretation. The physical and social infrastructure in some countries is sometimes too weak to attract any private investment and, therefore, the fulfilment of commitment to 0.7% target for ODA by developed countries, as also innovative sources of financing are crucial. The inequities in the global monetary, financial and trading systems remain. The Bretton Woods institutions and the WTO have strayed far away from their original mandate - employment generating macro-economic policies. Developing countries need rule-based multi-lateral regimes – these rules have to be truly equitable and should not impact adversely on the scope for the implementation of their national development strategies. For defending livelihoods, the sovereign functions of the State cannot be undermined and regimes that erode the autonomy of policy space need to be reformed. Therefore, a fundamental reform of international monetary, financial and trading institutions is essential to underpin new and truly equitable rules. It is also crucial for the UN to undertake regular and periodic review and assessment of international economic policies and their impact on development. In the context of systemic issues, it is particularly important to implement the commitment towards enhancing the ability of developing countries to participate meaningfully in decision-making, an important component of which is to provide assistance to developing countries in enhancing their capacity to assess the impact on them of policy changes. Most of the developing countries do not have the resources to do so. The deliberative discussions of the WTO and other international economic organisations could be complemented if there were an independent body to evaluate alternative proposals and their impact on developing countries. The United Nations is best placed to do so. Assessments must be made of the disparity between predicted consequences and what actually happens. ECOSOC has the responsibility to review the policies of BWIs. Efforts should be made to ensure that this responsibility is carried out fully and to examine how other economic policies could be brought into this review. We welcome the agreement reached in this regard in the context of strengthening of the ECOSOC.

We are confident that the ECOSOC on the basis of the review and assessment of international economic policies – international financial, monetary and trade policies of relevant institutions – would make recommendations, where needed, so that necessary correctives make the international economic environment supportive of development. This will not only increase confidence in, and the legitimacy of, international economic governance but also may lead to better economic governance that may benefit both the developing and the developed world. It is logical that the General Assembly will have some views, primarily to build on the focussed consideration of these issues in the ECOSOC. Specific meetings focussed on development will go a long way not only in building complementarity between the ECOSOC and General Assembly, but also in enhancing the development agenda of the United Nations.

Madam President,

The suspension of the Doha round of trade negotiations is a cause of concern. The impasse, as also the recent discussions in the Second Committee, has shown that while national borders should not matter for trade and capital flows, we should not raise the issue of technology and labour flows; while subsidies are bad for industrial goods, we should not talk about agricultural subsidies; while the private interest of IPR holders are sacrosanct, we should not discuss the public interest or protecting the bio-genetic resources of developing countries. Resumption of trade negotiations is desirable, but adhering to the agreed mandates of the Doha Ministerial Declaration, the July Framework and the Hong Kong Ministerial Declaration is a categorical imperative. Demonstration of political will by the developed countries will be required, if negotiations are to be saved. A clear political direction to the WTO remains necessary.

Madam President,

India has consistently maintained that the process of UN reform should be driven by a vision of a strengthened role for the United Nations on development issues. We recognise that the delivery role of the UN will perforce be peripheral, given the modest funds available to the UN and the huge requirements of developing countries. Yet, there is an important catalytic role to be played by the UN. What is needed is to address the fundamental issue of the gap between mandates and financial resources for their fulfilment. We are confident that discussions in the context of promoting system-wide coherence will give utmost consideration to this fundamental issue of resource gap; preliminary consideration has highlighted the need for enhanced

allocation for developmental activities of the UN in the regular budget. In the context of role of UN in development, it is also important to strengthen the current accountability framework for executive management, at USG/ASG level, including formal and transparent performance evaluations and sanctions for not meeting performance targets. Voice and effective participation of developing countries is important not only in the context of international economic policy making, but also in the management and administration of this Organisation, so important for pursuing the development agenda which is the overriding priority of the majority of the membership of this Organization-the developing countries. It is particularly important that developing countries are represented at the executive management levels and there is a balance in representation between the developed and the developing countries. Therefore, the ongoing debate in the context of human resources management assumes significance. It might also be useful to further consider the establishment of an open and transparent appointment process, including through broad consultations and confirmation by the General Assembly for improving accountability. We look forward to discussions on the ACABQ report on governance.

Thank You, Madam President.

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602. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Agenda Item 71[A] & [B] Oceans and the Law of the Sea at the 61st session of the UNGA.

New York December 7, 2006.

Madam President,

At the outset my delegation wishes to thank the Secretary-General for his comprehensive Reports on Oceans and the Law of the Sea.

This year's Report contained very useful information on issues and developments relating to ecosystem approaches and oceans that served as a basis for discussion at the seventh meeting of the United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea. The text adopted at the seventh meeting recognized that, by its very nature the ecosystem approach does not easily lend itself to mandatory "one-size-

fits all” measures. It contains sections on the guiding principles for the application of the ecosystem approach, its possible constituent elements, and the implementation and improved application of the approach. In this context, capacity building, technology transfer and greater consideration of developing countries’ experiences in implementing ecosystem approaches in marine management also need to be given due consideration.

The topic “ecosystem approaches and oceans” confronts us with a range of issues that require multidisciplinary examination. The approach is science based and it is acknowledged that scientific understanding of ocean ecosystems is still very limited. Moreover, composition and functioning of individual ecosystems and the pressures on them are area specific, which makes the task more expensive and complex. In areas where ecosystems cross geographical boundaries it may be necessary, as pointed out in the Secretary-General’s Report, for States to pursue bilateral or regional cooperation. Further, it has been demonstrated that any such approach cannot be rigid. Given the changes which may occur in spatial and temporal scales, the requirement for flexibility and adaptability has to be built in. It would be essential in this context to develop approaches to reconcile multiple objectives, ensure participation of different stakeholders and accommodate diverse interests. The continued application of the precautionary approach therefore remains essential.

Madam President,

There is now undeniable evidence that certain scientific research, which is intrusive in character, could put the fragile ecosystem and the species of the deep sea at risk. Marine scientific research which aims at exploration of biodiversity for commercially valuable genetic and biochemical resources, the so-called bio-prospecting, could be one such activity. We believe that the general principles of marine scientific research, namely, those contained in Articles 140(1) and 241 of UNCLOS, should also apply to bio-prospecting. The symbiotic relationship between the biodiversity of the deep seabed and its ecosystem makes the entire resources of the sea-bed, living and non-living, to be a common heritage of mankind. The task before us today is to identify the risks to this common heritage of mankind and agree on a substantive legal basis for the conservation and management of biodiversity and the use of biological and biogenetic resources of the deep-sea bed and subsoil.

We are not averse to looking at new approaches within the confines of UNCLOS to promote international co-operation aimed at conservation

and sustainable use of living resources of the high seas and benefit sharing of seabed resources located in the areas beyond national jurisdiction. However, the participation of developing countries in devising these new approaches greatly depends on the scientific information available to them. Promotion of flow of scientific data and information and transfer of knowledge resulting from marine scientific research, especially to developing States, is therefore essential. We are pleased that this year the eighth meeting of the consultative process will focus its discussions on the topic of "Marine Genetic Resources".

Madam President,

We welcome the preparations for the launch of the first phase of the Regular Global Marine Assessment and the holding of the first meeting of the ad hoc steering group chaired by Mexico and Australia. We see the GMA as an important instrument for better coordination and co-operation between the various United Nations bodies and related organizations towards integration of existing scientific and technical data and information and for identifying the gaps therein.

In the area of maritime navigation, we would like to express our serious concern over incidents of piracy and robbery at sea. In this respect we welcome the regional efforts in establishing cooperative mechanisms on safety of navigation and environmental protection and particularly welcome the coming into force of the Regional Agreement on Combating Piracy and Armed Robbery against Ships in Asia on September 4, 2006 and launch of its Information Sharing Centre.

Madam President,

We would also like to emphasise the importance of the principle of freedom of navigation including the right of innocent passage as well as transit passage through straits used for international navigation. The States bordering straits may adopt laws or regulations relating to transit passage through straits but such laws should be enforced in a manner that is non-discriminatory and fully consistent with Article 42 of the United Nations Convention on the Law of the Sea.

The subsidiary institutions established under the Convention have reported significant advances in their respective areas. The Commission on the Limits of the Continental Shelf is currently considering five submissions regarding the establishment of the outer limit of the continental

shelf beyond 200 nautical miles. However, keeping in view the anticipated heavy work load of the Commission, it is essential that the issues relating to the participation of members in its meetings and their funding should be addressed to take into account the concerns of the members from developing countries. In this regard, we also support the strengthening of the Division that serves as the Secretariat of the Commission, since with increase in submissions, the Commission would require enhanced technical support.

Madam President,

The International Sea-bed Authority is currently involved in developing a legal regime for prospecting and exploration of poly-metallic sulphides and cobalt rich ferromanganese crusts to ensure the effective protection of the marine environment, protection and conservation of the natural resources of the Area and the prevention of damage to its flora and fauna from harmful effects that may arise from activities in the Area

Madam President,

The Review Conference on the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, that was held in New York earlier this year, provided a useful forum for assessing the effectiveness of the Agreement. The Conference noted with concern that Straddling Fish Stocks and Highly Migratory Fish Stocks were over exploited and depleted. Over fishing and over capacity are seen to undermine efforts to achieve the long term sustainability of these stocks. Therefore the Conference recommended urgent reduction of the world's fishing capacity to levels commensurate with the sustainability of fish stocks. In this context the legitimate right of developing States to develop their fisheries for Straddling Fish Stocks and Highly Migratory Fish Stocks in accordance with article 25 of the Agreement was recognized.

Madam President,

We note with concern the impact of destructive fishing practices on vulnerable marine ecosystems. There is sufficient data to suggest that marine habitats are being affected by bottom trawling and it has a potential to alter the functioning, state, and biodiversity of marine ecosystems, particularly vulnerable ecosystems. This was recognized in 2004 also and

the need for improved governance of deep-sea fisheries and marine ecosystems was noted.

The Secretary-General in his Report on "Impact of fishing on vulnerable marine ecosystems" has also emphasized the critical need for mapping in the deep sea and the necessity to follow a precautionary approach. Accordingly, we see the time bound measures proposed in this year's Resolution to protect vulnerable marine ecosystems, including seamounts, hydrothermal vents and cold water corals from destructive bottom fishing practices, as a first important step in addressing this problem.

Thank you, Madam President.

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603. Statement by Permanent Representative at the UN Ambassador Nirupam Sen on Afghanistan at the Security Council.

New York, December 7, 2006

Mr. President,

Let me begin by congratulating you on assuming the Presidency of the Security Council for this month. This discussion is timely, coming as it does in the midst of heightened international focus on Afghanistan and the surrounding region.

Any discussion on Afghanistan must begin from the central premise that the international community retains an abiding responsibility to assist Afghanistan in consolidating democratic governance, peace and stability, long-term employment-led development, while in the interim delivering humanitarian assistance. Our views are set in this context.

Mr. President,

We have carefully read the report of the Security Council Mission, and the earlier report of the Secretary General on the situation in Afghanistan. We share the Mission's positive assessment of the achievements of the Government of President Karzai, and the people of Afghanistan over the last five years. The establishment of genuinely democratically-elected representative institutions, sustained economic

growth as well as growing trade and economic cooperation, investment in core infrastructure projects and the implementation of education, health and rural development programmes are praiseworthy, particularly as these were achieved in the face of adversity. At the same time, the support of the international community has been substantial and fairly consistent. India is happy to continue playing a role in the reconstruction of Afghanistan, given our historic ties with the Afghan people.

Mr. President, there is no doubt that the most pressing task before us is to overcome the challenge of insecurity. We have heard several arguments suggesting that the lack of effective governance in Afghanistan, widespread corruption, the inefficiency of the police service, the growing narcotics trade, continued warlordism in the provinces—all of this contributes to the security problem. All of this may well be true, but to focus on these as the cause of security problems is to miss the point. These are factors which thrive on insecurity and serve to exacerbate it. They are not causes of insecurity: instead, it is the revival of the Taliban, Al-Qaeda and other extremist groups, and the existence of cross-border safe havens for such groups, that are the real cause of insecurity. While focusing on rebuilding and strengthening Afghan state institutions, the roots of insecurity should not be forgotten. The Report refers to Operation Medusa. Operation Medusa has not even contained, let alone eliminated, Medusa. The snakes are still swirling because of the cross border dimension. This reinforces the importance of this aspect. Historical experience shows that, without addressing this, attempts at stability and security would be unavailing. It is important to confront and not strike deals with the Taliban – which, to continue the Greek mythological metaphor, is tantamount to contenting oneself with looking at her image in the shield, without striking at Medusa.

Mr. President,

While the report of the Council Mission suggests that “insurgency” is largely confined to one-third of Afghanistan, the situation remains precarious. ISAF’s own statistics show that in recent months, security incidents have escalated by as much as 70% and 50% in Paktika and Khost provinces. Therefore, it is not clear that efforts to negotiate peace in the more troubled Afghan provinces are succeeding; indeed, terrorist violence spreading elsewhere may suggest the opposite. Moreover, the growing incidence of suicide bombings shows the increasing spread of an ideology and tactics typical of the Al-Qaeda, which are not part of the

Afghan cultural and religious tradition. Therefore, we believe that the cost of tolerating the spiraling violence is infinitely higher than any costs we might bear in quelling it through firm law enforcement action. The consequences of collective inaction may well be borne by the international community in general, but will certainly be borne by the states of the region in particular.

Mr. President,

It is in this context that India emphasizes the need to simultaneously implement firm and effective law enforcement measures, security sector reform programmes, capacity-building measures, and regional cooperation in all fields. Similarly, the growth of representative political parties and the broad-basing of the culture of democratic political activism are developments that should be fostered since these also help in checking terrorism. All of these contribute to the effort to create credible and sustained opportunities to build upon the growing constituency for peace in Afghanistan and across the region. Nevertheless, these must be accompanied by firm measures to enforce peace.

It was therefore fortuitous that the Security Council Mission visited our region a few days prior to the Second Regional Economic Cooperation Conference on Afghanistan, which India had the honour to host jointly with our Afghan brothers in New Delhi last month. The regional dimension is explicitly recognized in the report of the Mission, in context of finding ways to help Afghanistan overcome the challenges before it.

Indeed, the New Delhi Declaration of the Second Regional Economic Cooperation Conference on Afghanistan notes that a "strategy for development for Afghanistan which is based on cooperation with regional countries, creates significant possibilities for reducing poverty and for achieving the Afghanistan Compact benchmarks and Millennium Development Goals in the entire region". Towards this end, it outlines a number of useful suggestions for the countries of the region to coordinate policies for exploiting shared resources like water, agriculture and energy; to develop capacity-building programmes; and to expand trade and transport linkages; to design and build appropriate regional projects.

Similarly, we believe that more work needs to be done to reverse the expansion of narcotics production. Not only is it necessary to implement policies to stop cultivation, it is also important to focus on simultaneously implementing crop substitution programmes and improving border management mechanisms. It will take a coordinated effort by the

Government and people of Afghanistan, as well as regional players, to effectively address this particular challenge.

Mr. President,

India's support for a sovereign, stable, democratic and prosperous Afghanistan is consistent and well-known. We see a resurgent, stable, sovereign and peaceful Afghanistan as an essential element in the emerging mosaic of regional cooperation underpinning our world. It is also part of a process that reclaims for the people of Afghanistan their rightful place in our collective future. Afghanistan's entry into the South Asian Association for Regional Cooperation at its last Summit in Dhaka was a manifestation of this. We believe that Afghanistan can and must be provided with the means to re-establish itself as the crossroads of Asia, and as one of the future transport hubs and energy bridges of our region.

In conclusion, let me also reiterate our firm commitment to our partnership with Afghanistan, which today covers a multidimensional cooperation programme that harmonizes with the priorities of the Afghan Government. Not only have we extended financial assistance in excess of US \$ 650 million to fund infrastructure projects and to assist with the National Budget process, we are also expanding our involvement in the capacity building process, both through traditional training programmes and through innovative public-private partnerships that involve our apex Chambers of Commerce and Industry. Thus, our assistance spans the range of activity, from basic infrastructure such as roads, power, dams, and telecom to rapidly implemented, community-based small-scale projects, and training and capacity-building programmes. To summarize our approach, we seek to help Afghanistan create the infrastructure of a modern state while, at the same time, going beyond monetary assistance to provide the Afghan people the wherewithal to help themselves.

Thank you, Mr. President.

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604. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra at High Level Conference on the Central Emergency Response Fund at the UN.

New York, December 7, 2006.

Mr. Under-Secretary-General,

We thank the Secretary-General and OCHA for organizing this High Level Conference on the Central Emergency Response Fund.

India strongly supports the CERF. We were involved in the process of setting it up and are committed to the ideals that it represents. The launch of the CERF was a momentous event in the evolution of the international community's response to natural disasters and humanitarian emergencies. It represented the effort of the international community to secure a more predictable response to the inevitable challenges that the world would continue to face from future disasters.

The speed with which the UN has moved to put in place an emergency response fund to deal with future challenges is commendable. It is equally satisfying that the international community has responded promptly to the need for adequate funds. The contribution of close to \$ 300 million by over 50 countries, cutting across the traditional dividing line between donor and recipient countries, reflects the wide and enthusiastic support for CERF.

Reflecting its support and commitment to CERF, India had announced a pledge of US\$ 2 million to the CERF in March 2006. We have already disbursed \$ 1 million and will be disbursing the remaining \$ 1 million in 2007.

In conclusion, we would like to thank you, Mr. Jan Egeland, for your commitment and dedication that has helped make CERF a reality, and wish you all the very best in your future endeavours.

Thank you.

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605. Adopted from the webcast of extempore remarks by Permanent Representative at the UN Nirupam Sen at the Joint Debate in the General Assembly on Agenda Item 9 [The Annual Report of the Security Council] & Agenda Item 111 [The question of Equitable Representation on and Increase in the Membership of the Security Council and related matters].

New York, December 12, 2006.

Madam President,

I thank you for this Joint Debate in the General Assembly on Agenda Item 9 (The Annual Report of the Security Council) and Agenda Item 111 (The Question of Equitable Representation on and Increase in the Membership of the Security Council and related Matters). I also thank the distinguished Permanent Representative of Qatar for introducing the Report of the Security Council.

My good friend, the distinguished Permanent Representative of Switzerland, compared the Report to a telephone directory. With his characteristic modesty, he was a little unfair to telephone directories: the Report is like a directory without the telephone numbers: do not call us: we shall call you. The Report is trite in language, non-existent in terms of analysis, opaque in content (it provides little insight into why decisions took a certain shape and omits mention of any disagreements), infirm in law and questionable in the context of working methods. It shows that recommendations on new working methods can hardly be implemented without new permanent members who would be held accountable for transforming recommendation into reality.

The Report is a symbol and symptom of a deeper crisis. The exhaustion of member states after more than one and a half years of negotiating reforms is reinforced by disillusionment with their results. Do the developing countries, especially the small and vulnerable, feel a greater sense of justice and fair play? A greater sense of ownership? Is the organization more responsive to their needs? Or are the reforms vitiated by not addressing the central issue of UN Security Council reform? The old Cold War equilibrium is gone but no new equilibrium has taken its place. The old world is dead, the new powerless to be born. Instead of 'the sad, slow night's departing and the rising of the morn', there is a twilight world

with all its burdens and sorrows: the UN, in this context, ought to have been the midwife of history but is not able to play this role because it has not been able to reform itself effectively.

The failure to do so, because the UN is uniquely equipped to spearhead the reform of global governance', has an impact on global economic governance also and therefore on the capacity of other international institutions to deliver even development, so critical for developing countries; this negative impact is sometimes not adequately appreciated. The tension between the political and economic order of 1945 and the totally changed world of today is at the heart of problems of global governance. The Articles of the IMF, for instance, were written in 1944. That is why it cannot lighten the burden of conditionalities on the poorest even in the latest Policy Support Instrument of 2005; its fiscal recommendations greatly worsened the Asian crisis of 1997-98; it has produced no idea worth the name on how to address the imbalance at the core of the financial and economic instability of our time.

The present structure of the UN Security Council was created at about the same time (in 1945) as the structure of the IMF. It is therefore no coincidence that the solutions are similar: addressing the question of the veto; transparency; accountability; reassignment of seats on the basis of a new formula; a change in the appointments process. This very commonality shows the cross cutting nature of the crisis of global governance. If the IMF were able to maintain world economic stability and the UN Security Council world peace and security, even their antiquated, imperfect and possibly unjust structures of governance might have been accepted. This is manifestly not the case. Hence the urgent need for real reform. It is unfortunate that some have not been able to think outside the text they have been repeating. I shall not speak on the G-4 text.

We are not dogmatic about exact solutions. But we are particular on identifying actual and not imaginary problems and fashioning a solution that addresses these. One may use an analogy from portrait painting. One can go on changing the canvas and even keep throwing away initial sketches in order to improve the final portrait but one will not paint any portrait if one keeps changing the subject of the portrait. It is therefore important to identify this subject –i.e. the real problems. Otherwise the divisions and disillusionment of today will become deeper and, without fundamental change, the UN will be coarsened through continued weakening of mutual trust.

The UN Security Council is reaching the end of its shelf life: structural cracks have begun to appear. We need a Capital Master Plan not just for the building but for what is inside it, around the corner. The UN Secretary General described its handling of some recent events as having “badly shaken the world’s faith in its authority and integrity”. No problem of peace and security has been fully resolved; many are arguably worse. It continually proves Newton’s Third Law of Motion – for every force, there is a force equal in magnitude but opposite in direction. It is said in the scriptures: “Let justice be done though the heavens fall.”

The UN Security Council’s justice, if done at all, is done after the heavens fall – that is why we have been so busy catching skylarks. The checks and balances of the Cold War, acting within the UN Security Council gave some space to the General Assembly. The absence of any new equilibrium has actually meant the progressive usurpation of the GA’s authority by the Security Council. The fundamental reason is not just the imbalance between the Assembly and the Council but the imbalance between the permanent members and the rest. Can therefore this imbalance be redressed through adding new non permanent members even if immediately eligible for reelection? Can they make coercion more difficult, enhance legitimacy and make decisions far more optimal, thereby reducing the need for force? Or do we need new elected and accountable permanent members to do so?

Our experience is clear: an individual state cannot easily defy, the UN Charter cannot effectively bind, the General Assembly cannot constrain and the International Court of Justice cannot automatically review UN Security Council decisions (and since Justice Marshall’s famous judgement in *Madison Vs Marbury* the right of judicial review is a fundamental democratic tenet). Can non permanent members reintroduce equivalent checks and balances in the post Cold War era or can this be done only by new permanent members?

The present colossal imbalance of power would continue to ensure that blood does not circulate through some UN organs, bringing them close to atrophy. We would have the opposite of the state described by Dr. Johnson in a little known play “Irene”: “A happy land where circulating power/Flows through each member of the embodied state”. Instead we have a concentration of power and the fact of oligarchy. Would non permanent members, even if their number is expanded and they are immediately reelectable make any difference whatever to the central problem of correlation

of power, of oligarchy? Or is it necessary to introduce appropriately in the midst of this oligarchy new permanent members with the principles of election and accountability? Otherwise instead of equal decision making the Security Council and, via it, the Organization will simply register the will of the few. The few will continue to set policy and the politics of the Security Council will not be the politics of policy but the politics of manoeuvre.

Instead of addressing the real problem would not an expanded number of renewable non permanent seats create a far more serious problem (as also pointed out by the distinguished Chair of the Federation of Small States, the Permanent Representative of Singapore)? A greater number of immediately re-electable non permanent seats would ensure that the eighty or so member states who have never served on the Council continue not to serve and the chances of Small States of serving on the Council are reduced from once in forty years (the present position) to once in eighty years.

Some have repeatedly made much of elections ensuring accountability. Elections sometimes take the shape of auctions and even when they do not, they hardly ensure accountability. Are the non permanent members accountable and if so to whom? Even in the case of clean slates, do the regional and other groups find them always accountable? Elections may be a necessary but are certainly not a sufficient condition of accountability. In fact the imperfection of the unreformed Security Council to which non permanent members are elected makes it more difficult for them to be accountable and may make them even less accountable. The problem of accountability would encompass both new permanent and all non permanent members. Let us therefore not confuse elections with accountability.

Just as, in the field of international economics, getting prices right and liberalization does not ensure maximizing welfare but separate action has to be taken on employment generating policies, so also here, to ensure real accountability one has to consider a permanent self sustaining review mechanism as well as possibly an addition in Chapter II of the UN Charter embodying the democratic principle, as old as Rousseau, of the right of recall – an idea proposed by a few developing countries (members of the African Union) at a largely attended informal meeting recently. Then alone would one have real accountability. In fact accountability should be ensured throughout the UN, including the Secretariat. United States constitutional practice has admirably combined the principles of flexibility and accountability. This should be implemented in the UN by giving the Secretary General the flexibility to appoint the DSG and USGs but having hearings

and confirmations by the General Assembly to ensure accountability (incidentally, this would ensure that policy implementation in the Secretariat is actually responsive to the vast majority).

A leading light of the school of expansion of only non permanent seats outlined serious problems in the Security Council which have grown but felt that these could be mitigated by increasing non permanent members and their role and being open to the idea of their immediate reelection. Why have existing non permanent members not mitigated the problems but allowed them to grow? He spoke of encroachment. Why have non permanent members not rolled it back? In fact this shows that even amending the Charter is not enough: there would have to be new permanent members held accountable for defending its balance. Similarly, would not an interim solution that does not address the real problem simply go through the motion of reform without reform? Would there be point in simply adding to numbers without addressing the issues? In short, should one have reform for the sake of reform? Would adding more non permanent renewable and rotational seats address the central problems of either the correlation of power or of accountability? Or would they, in the phrase of the poet Shelley be like "going to a gin shop for a leg of mutton"?

It is important to remember that immediate reelection was permitted in the League of Nations. It failed to either ensure accountability or save the League of Nations. Therefore, when I look at the supporters of the idea of renewable more non permanent seats in the Security Council, I am reminded of the question in the great contemporary US novelist Thomas Pynchon's just published novel "Against the Day": "What are they doing here, so late in history" with "the dismal metonymies of the dead behind them"? Would not electing more non permanent members only create for a moment the illusion of accountability with even less real accountability, the illusion of change with no real change and address imaginary problems while leaving the real problems of correlation of power and accountability to fester and become worse?

The most radical General Assembly Resolution on the veto and working methods is Resolution 267(III) of 14 April 1949. It was adopted. It is a melancholy commentary on the declining strength of the General Assembly that today it seems difficult even to table the S-5 Resolution, let alone adopt it. To save time I shall not quote the Resolution at length (I have done so on an earlier occasion) but the Resolution clearly and forthrightly proposes restrictions on the right of the veto; says that the General Assembly can advise on a matter being considered by the Council;

emphasizes that TCCs should take part in decisions (not just discussions) on deploying their troops etc. Was any of this ever implemented? Would new non permanent members be able to do what they have not for more than half a century – ensure these working methods? Would they ensure the access of small and vulnerable states to the Council and their participation in its subsidiary bodies? Would such a model empower Africa, that has been the object of history and, in some ways, continues to be so and without whose empowerment any reform is unavailing and worth little?

As the Resolution mentioned earlier shows, the problem of the veto is a real problem. Many delegations have addressed it in the course of this debate. But we have to examine the issue in detail. We would then see that the problem is not one of quantity (of extending it immediately to new permanent members) but of quality – of introducing restrictions to ensure that it is used to advance the principles of international law and the interests of the international community and not national interest. There are those who say that the veto cannot be amended. The short answer is that it has been amended, but the amendment has been informal and therefore legally infirm. The Charter clearly speaks of “the concurring votes” of permanent members. Therefore, Charter commentaries of 1946 make it amply clear that abstention was the equivalent of a veto. It is not treated as such any longer.

The Charter can only be amended by procedures set out in Articles 108 and 109. Therefore, this informal amendment is really law making by law breaking. What is more it is to the detriment of the General Assembly. The legal principle of estoppel prevents the GA from challenging a UNSC decision with an abstention by a permanent member as illegal or invalid because of acceptance over a fairly long period of time. But it cannot even demand further continuation of the practice. The permanent members can give it up any time and go back to the earlier interpretation, without legal problem. Thus it is they who are amending the Charter, not the General Assembly. One may cite similar informal amendments of Article 39 (redefining what is a threat to international peace and security) and Article 29 (on setting up subsidiary bodies): a legal tribunal may be a subsidiary body but the Security Council cannot give it legal powers that it does not possess under the Charter (which is why the case is different from all other subsidiary bodies); nor can implied powers be invoked because the Security Council, under the Charter, does firefighting to execute existing law which has been adequate and does not have the authority to make law (which belongs to the General Assembly).

On the one hand the Security Council is quick to bring on its agenda individual rights but on the other is reluctant to restrict the veto which has no place in a paradigm of individual rights. On many issues the US Constitution points the way for instance the US Congress can set aside a Presidential veto. But in the UN, a special majority of the Security Council or the General Assembly cannot override a Security Council veto even in the case of carefully defined categories of situations. Oppenheim, in his authoritative Treatise on International Law clearly says that if a permanent member used its right of veto to prevent an amendment of the Charter purely for reasons of national interest and not because of its implications for the international community as a whole, it would be an abuse of the right of veto. Thus any such exercise of the veto would be subject to legal challenge.

The problem of working methods is exemplified most visibly in the Rules of Procedure of the Council which are provisional to the point of not being there; they have been replaced by a new rule on how to make encroachment respectable and emasculation of the GA acceptable – a triumph of power over reason, rules or logic. Thus the UNSC is not a solution but a part of the problem; it has become a fetter holding back change; a fetter on addressing the problems of the 21st century; a fetter on the forces of peace and progress. We shall take counsel with our colleagues in the G-4, our cosponsors, the African Union, the S-5, even the UFC and the wider membership, especially listening to the developing countries, and soon bring forth proposals for negotiations which would address the real problems of the correlation of power; of accountability; of the veto and working methods and not imaginary ones which would make the real problems worse while providing the illusion of reform for the sake of reform. The choice is between real reform and retrogression and even paralysis, action or words, substance or shadow. Otherwise we shall move to a future where the GA feels even more than now “the mildew coming over it and its bones turn to paste”.

We do wish to end the exclusion of developing countries but through an inclusive process – this is the legacy of Gandhi and Mandela. To use some eloquent phrases of one of our leaders at a recent seminar in New Delhi, we seek a reform not for “power politics, military might, division and conflict” but for overcoming these and being, in and with the UN, a “global force for peace, progress and prosperity”.

I thank you, Madam President

606. Statement by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on Agenda Item 110: revitalization of the Work of the General Assembly at the 61st session of the UNGA.

New York, December 13, 2006.

Madam President,

We thank the Secretary-General for his report A/61/483, which provides a useful background for our consideration today of the issue of revitalization of the UN General Assembly. The position of the Non-aligned Movement on this topic has been expressed by Cuba and it has my delegation's full support.

Madam President,

The report of the Secretary-General details the many steps implemented over the last few years to streamline the work and agenda of the General Assembly. There has been considerable focus on improving the working methods of the General Assembly and its main Committees. Efforts have also been made to rationalize and streamline the agenda of the General Assembly so as to give a sharper focus to its work. Additional staff has been provided to the office of the President of the General Assembly, as also during the period of transition between an outgoing and incoming President. The Secretariat has endeavoured to reduce the heavy burden of documentation submitted to the General Assembly for its consideration. Looking at all this one might even reach the erroneous conclusion that a great deal has been achieved.

A useful beginning has certainly been made through the revitalization exercise undertaken so far, via implementation of many of the provisions of resolutions already adopted on this subject. However, in a dynamic and changing world, we need to regularly review measures that can improve our work efficiency. At the same time, such measures by themselves do not automatically lead to empowerment of the General Assembly. The streamlining of procedures and working methods is only a means to an end – it is not the end itself. Having come this far in our quest to revitalize the General Assembly, we must now focus on the more substantive aspects of GA revitalization. Such reform must necessarily be an ongoing process that is part of a continuum; it cannot be limited to any current or just-completed process in a particular GA session; it has to be part of a larger, ongoing process of UN reform that will need to be furthered in the months and years ahead.

Madam President,

A revitalized General Assembly cannot be achieved via better coordination alone. It must focus on setting the global agenda, especially on development issues. Revitalization of the GA should ensure that the GA addresses itself to the development problems confronting the overwhelming majority of UN member states. The General Assembly must also restore the centrality of the UN in economic matters. Increase in the weight and voice of developing countries in the global economic architecture would exercise a positive influence on the Bretton Woods Institutions and enhance the acceptability of their decisions.

Madam President,

One substantive area that resolution 60/286 attempted to revitalize is the role of the GA in the selection of the UN Secretary-General. Efforts to put in place a more inclusive and transparent procedure for the appointment of the Secretary-General, consistent with Article 97 of the Charter, need not only be undertaken when a selection process is on the horizon or underway. There is a need to address this important issue on a continuing basis.

Another topic that has figured in resolutions on GA revitalization, and on which a number of countries have expressed concern during previous discussions, is that of balance between the principal organs of the UN. The encroachment by the Security Council on issues that traditionally fall within the GA's competence (such as the process of standard-setting and codification of international law, conduct of thematic debates) are of particular concern. The consequent undermining of the role and authority of the General Assembly needs to be redressed, if it is to be revitalized. The resort to thematic debates in the Security Council on issues that very often fall within the purview of the General Assembly or the Economic and Social Council, remains an area of concern to many delegations. The balance between the principal organs of the United Nations as ordained by the Charter must be respected and maintained. The encroachment by the Security Council on issues that clearly fall within the functions and powers of the Assembly and its subsidiary bodies is also contrary to our collective decision to strengthen and revitalize the General Assembly.

Resolution 60/286 reiterated that in addition to the Security Council making its annual report more analytical, it should also submit special reports to the GA. The most recent annual report of the Security Council remained deficient in terms of analytical content, while no special report has been

submitted. In any case, the Security Council must continue to consider ways to further improve the quality of its reports to the General Assembly.

Operative Para 3(a) of resolution 59/313 requests the President of the GA to propose interactive debates on current issues on the agenda of the Assembly, in consultation with Member States. We appreciate the initiative taken by the President of the GA in recently organizing such an interactive debate. Views of the Member States in deciding the themes for such periodic thematic discussions are important in order to ensure that the issues taken up are indeed of current global relevance. It would also be useful to avoid duplication of discussions held recently in other UN fora, e.g., in the ECOSOC or in its functional Commissions. Prior consultation on themes for interactive debates can be expected to lead to wider, more effective and enthusiastic participation in them.

While attempting to revitalize the work of the General Assembly, there is also a need to bear in mind the core competence of the GA itself. The General Assembly occupies the central position as the chief deliberative, policy-making and representative organ of the United Nations. However, it is not expected to function as an executive or judicial arm. As its presiding officer the President must be able to enhance its performance in the interests of the broad membership of the General Assembly. In this era of cross-cutting concerns we must also guard against an over-zealous approach leading to the GA intruding into areas that are essentially the core competence of other bodies in the UN system even as we avoid a surrender of its remit to others.

Madam President,

Resolution 60/286 adopted by the GA on this subject at its last Session, invited the President of the 61st GA to convene consultations among Member States to decide on the establishment of an Ad hoc Working Group on this issue that would be open to all UN Member States. We would urge you, Madam President, that such consultations be undertaken without delay so as to enable continued consideration by Member States of the important issue of revitalization of the General Assembly with a view to identifying ways to enhance its role, authority, effectiveness and efficiency.

Thank you, Madam President.

607. Explanation of Vote after the vote by Deputy Permanent Representative at the UN Ambassador Ajai Malhotra on the question of Western Sahara.

New York, December 14, 2006.

Mr President,

India supports efforts aimed at a just, lasting and mutually acceptable political solution to the question of Western Sahara. We believe that such a solution can be reached through dialogue and a spirit of cooperation.

We share the sense of disappointment that it has not been possible to work out a consensus this year on the UN General Assembly resolution on the "Question of Western Sahara". India's abstention in the vote should not be interpreted as its being in favour of either side.

Thank you, Mr. President.

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608. Statement by Permanent Representative at the UN Ambassador Nirupam Sen at the 10th Emergency session of the UNGA to discuss the Establishment of a Register of Damages Arising from Israeli's Construction of a Separate Wall in the Occupied Palestinian Territory.

New York, December 15, 2006.

Your Excellency, Madame President,

I thank you for reconvening this resumed Emergency Session of the General Assembly, to discuss the establishment of a Register of Damages arising from Israel's construction of a separation wall in the Occupied Palestinian Territory.

Madame President,

The legal issues that underpin this debate are clear, and have been so ever since the International Court of Justice ruled unambiguously in its Advisory Opinion of July 9, 2004, that "the construction of the wall.....[is]

contrary to international law". The steps that are to be taken to reverse this illegality are also stated in the same Advisory Opinion, as are our obligations as members of the international community not to recognize the illegal situation arising from this construction. The International Court of Justice then remitted the matter back to the United Nations, "and especially the General Assembly and the Security Council" to consider what further action is required to "bring to an end the illegal situation resulting from the construction of the wall".

However, we lack the same level of precision and clarity regarding the further action that we as the United Nations are required to take to bring to an end this illegal situation. The establishment of a Register of Damages is only one part of the measures that we can consider. What we undertake today must therefore be set against a number of other appropriate legal and political measures, in consultation with all concerned, as part of a larger vision of establishing a just, comprehensive and lasting peace in the Middle East.

Madame President,

In this context, several opinions have been expressed here today, and we have before us both a report of the Secretary-General and a draft resolution. While the minutiae of the recommendations of the Secretary-General regarding the location of the Office of the Register of Damages, its composition and its privileges need not detain us here, it is the question of the nature of the body, its powers and its mandate that are crucial.

We understand the argument that the Register must be more than a receiving and processing office for complaints. It must be able to establish the credibility of such complaints and, in so doing, it must serve as a symbol for the redressal of grievances. There is merit in calling for the office of the Register of Damages to help raise awareness of the rights of those who have lost property or access to family or means of earning their livelihood, and to help them seek compensation. There is no doubt that Israel is required to compensate those who have lost property through the construction of this wall; indeed, the Advisory Opinion states as much, and the payment of compensation by Israel under its own laws suggests that this point is not contested.

However, there is also merit in carefully considering the complex questions posed as a result of the UN establishing a body, at a not-inconsiderable cost, that would have judicial powers and the power to award damages. Resolving these complex questions will require more than

discussions at this forum, it will require a reasoned, balanced and forthright dialogue between those concerned, with the assistance of the international community wherever necessary.

Madame President,

While we are in favour of the resolution that is before us today, as it is a measure that could provide solace to those aggrieved by the loss of property, I should underline that the establishment of the Register of Damages is in itself not a complete solution to the complex problem posed by Israel's construction of the separation wall. These issues should be resolved in tandem with other confidence-building measures as part of an overall effort to achieve a just, lasting and comprehensive peace in the region.

The separation wall divides villages, families, students and patients from schools and hospitals and farmers from fields. The International Court of Justice recognised that the area between the Green Line and the separation fence means that “the construction of the wall and its associated regime create a *fait accompli* on the ground that could well become permanent, in which case, ... [it] would be tantamount to *de facto* annexation” of Palestinian land. The Israeli anthropologist Jeff Halper is concerned that policies resulting in “reconfiguration of the country from two parallel north-south units — Israel and the West Bank, the basis of the two-state idea — into one country, integrated east-west” would make a two-state solution enormously difficult. Therefore, while urging Israel to stop the construction of this wall, which may prejudice the contours of the awaited two-state solution, we urge both sides to the dispute, as well as all relevant parties, to address this long-standing problem, and to redouble efforts to enable a solution to emerge through political dialogue. The absence of any meaningful political dialogue is not, of itself, enough reason to cease persevering with the effort to find a peaceful solution. Since there is no alternative to a meaningful dialogue, we support the call of the Secretary-General upon all sides to consider innovative ways to fully implement the Roadmap which would lead, without delay, to a just, fair, and equitable solution to this conflict, based on relevant UN resolutions, including Security Council resolutions. We also call upon the Quartet and all relevant regional players to work to de-escalate the situation and end the cycle of violence and counter-violence.

I thank you, Madame President.

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