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Indian presents peace bouquet to Pak, a dozen flowers to choose from

Indian External Affairs Minister, Yashwant Sinha presented a 12-point

Peace proposal in front of Pakistan with an aim of establishing peace and stability in the region by increasing people to people contact between the two nations.

The much talked about proposal consists of a dozen initiatives, which if accepted and sincerely followed by Pakistan would surely normalise its relations with India.

The most significant offer by India is a trans-line of control (LOC) bus between Srinagar and

Muzaffarabad, the capital of Pok (Pakistan Occupied Kashmir).

The other important aspects of the proposal are: resumption of air and rail links and also the bilateral sporting 'encounters,' including cricket. India also suggests, linking of Rajasthan and Sindh with a bus or rail service between Khokhrapar and Munnabao.

The peace bouquet presented by India also proposes for, permission to citizens above 65 to cross the Wagha border on foot, increase in the capacity of Delhi-Lahore bus service, establishment of links between the Coast Guards of the two countries, non-ar-

rest of fishermen within a certain band of the sea and establishing visa camps by respective high commissions in different cities of India.

New Delhi also proposes increase in the strength of respective missions in India and Pak, a boat between Mumbai and Karachi and also offered a healing touch to the bruised relationship by offering free medical treatment for a second batch of 20 Pak children.

Offers have been made, now it is to see that whether the reciprocal steps taken by the two countries, shall result in any meaningful dialogue or not.

Role reversal

The growing current surplus of India and other countries such as China, Japan and Taiwan have lead to the booming foreign exchange reserves of these countries, which are invested in gilts and other securities of the so called richer west. To sustain their living standards the richer countries of the world, like the United States of America and the European Union, are increasingly becoming dependent on the developing countries.

But as the saying goes old habits die hard, in spite of this magnificent support to the economy Asian countries, including India still receive pressure and criticism from the richer countries.

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Tiger and the Dragon talk peace/ Sino-Indian peace talks

First round of Peace talks between the Chinese Vice-Foreign Minister Dai Bingguo and Brijesh Mishra, the National Security advisor of India were held in the second fortnight of October at New Delhi.

Brijesh Mishra and Dai

Bingguo are the Special Representatives, appointed by their respective countries and have been assigned the task of analysing the border dispute from a political perspective to evolve a framework so that the long pending dispute is addressed as per the 2003

June India-China joint statement.

The fact that both representatives enjoy the confidence of their leaders is extremely significant for the peace process, in terms of future, sincere implementation of the outcome of the peace talks.

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New Delhi-Dakha is there a strain in the yarn?

Bangladesh has increasingly become a safe heaven for the terrorists under training or under transit and there are enough proofs with India because of which



Indo-Bangladesh relations getting strained as Dhaka emerges as a major hub for terrorism

Indian authorities are concerned. The land of fine cotton and deltas is causing worry to India because of a number of reasons such as the growth of terrorism in Bangladesh which is especially targeted against India.

Recently, Bangladeshi authorities recovered a football-sized radioactive material in a raid on a

terrorist camp in Puiya, which could have been easily converted into a bomb by terrorists.

Terrorist outfits operating from Bangladesh

Islamic Chhatra Shibir - Youth front of Jamat-e Islami of Bangladesh collaborated with the Muslim Liberation Tigers of Assam to form the Bangladeshi Islamic Manch.

Harkat-Ul-Jehad Islami - It has direct links with Al-Quaida, recruits and trains militants

Islamic Markaz Party - Formed in 1998 to wipe out the enemies of Islam, including US and India.

Islamic Oikyo Jote - Emphasises a Taliban type movement in Bangladesh and is a conglomeration of eight Islamic organisations.

Samjukta Islamic Jihad committee - Formed in 2000 between HUJI (Bangladesh) and Harkat-Ul-Ansar (Nepal) with an aim of strengthen-

ing the Islamic tempo in Bangladesh, Nepal, and on Indo-Bangladesh border.

Also Dakha is reluctant to give transit and transhipment right to India as it unnecessarily fears that India would 'swamp' it. Also it has refused the gas exports to India for no reason at all.

Another reality, which hurts India most, is that increasingly, the Pak intelligence agencies are operating out of Bangladesh. Probably the presence of powerful 'advisors' like Salahuddin Quadeer Chowdhry (Bangladesh's candidate for the OIC Secretary-General's Post, also said to be a collaborator with the Pak army) in the Khaleda Government is causing a change in the Bangladeshi authorities mindset.

Before the strain becomes too much to be born by the yarn, both countries need to sit together and India need to reassure its neighbour that it aims for a friendly relations,

Favourable winds are blowing tap the opportunity: An FTA between China and India

Winds of change are blowing; the entire South East Asian region is undergoing a dramatic change in the strategy. We have an FTA between Japan and Singapore, India-Thailand FTA has already happened and soon India is going to sign one with Singapore and another with Asean countries.

With China, India has always viewed relations

with a positive spirit; we seek mutually beneficial and friendly relations with the neighbour based on Panchsheel, the five principles of peaceful co-existence. India always seeks a relationship, which is stable and in which both the sides are responsive to each other's concern and are committed to the process of dialogue to resolve outstanding differences and to build a constructive co-

operative relationship.

At this juncture, one can clearly visualise, what will happen if the two countries, India and China in which one-third of the world's population reside enter into a free trade agreement. The opportunities, prospects and possibilities are mind-boggling, therefore what are we waiting for, India, go ahead and tap the opportunity.

Forget dollar, Rupee invoicing the latest trend

Indian exporters, who were till recently invoicing nearly all their exports in dollars and few other currencies such as the British pound, the euro and the Japanese yen have now shifted to invoicing in rupees.

The reason? The fact that the Indian currency is on rise against the dollar. Moreover by invoicing in

rupees, exporters are trying to protect themselves from a loss due to currency conversion and are effectively transferring their exchange loss to the buyer.

It is not that all the exporters are presently invoicing in rupees. Only the exporters of high quality products have been able to convince the buyers for rupee invoicing.

The Indian rupee has gained by 191 paise (4.2%) during the current financial year (03-04) and if the invoicing is not done in rupees, for every 10 paise that the rupee gains an exporter stands a chance to lose 1 lakh for every one million exports.

Since the previous year only many exporters had started invoicing in Euro to

avoid the currency conversion loss due to the invoicing in dollars.

If we study the statistics available with the commerce department it is clear that invoicing in dollars declined from 82.4% in 00-01 to 76.9% in 02-03 and gradually the invoicing in rupees increased which is a positive sign for India.

Business Competitive Index India ranks 37th: still needs polishing before it truly shines

India's position is 37th out of 102 countries on the (BCI) Business Competitive Index presented in the 2003-2004 Global Competitiveness Report of The World Economic Forum.

The indicators, which are taken into account for giving ranks under BCI are; micro fundamentals, quality of the business environment in it and also the sophistication of the companies of a country.

If observed in terms of the presence of the number

of competitive firms in the country, India is at top

Schools India is at No. 8. A few more positive scores

LAST 3YEARS INDIA'S RANKS IN BCI	
YEAR	RANK
2001	36
2002	36
2003	37

rank in the Index. It is ranked fourth in the world in allowing easy access to the credit (definitely a positive signal for business to flourish). In terms of the quality of Management

for India are the availability of scientists and engineers where it is ranked at No. 3 in the world and ranking on the policy about inflow of foreign technology where it is at No. 6.

But, on the internet usage India is ranked 79th and on the quality of electricity supply India is at dismal 82nd position, which shows a lot has to be done before India truly shines in front of the world.

International financial institutions to tap Indian debt market

A foothold needed to climb up the oil rig

India's oil requirement is going to be quadrupled in the next two decades and it is presently searching for the fresh global sources from where it can procure oil to take care of its burgeoning energy needs. For this India is looking towards nations such as Indonesia, Malaysia, Thailand, Afghanistan, Iran, Turkmenistan, Kazakhstan, Iraq, Libya, Sudan, Nigeria and Senegal. It is a fact that most of the oil supply-

ing countries are having large Islamic population or we can say are Islamic countries.

But India's desperate need to scout for global energy sources which is primarily found in Muslim nations is forcing it to have economic cooperation with the Islamic bloc.

There are going to be a number of political implications, If India invests in the newly discovered oil and gas reserves of any of

those countries or if it goes for long term supply contracts with them.

Perhaps we would be able to unfold in front of them the truths of global terrorism and improve India's (pro-Hindu and anti-Islam) image in the international arena.

"We are soon coming out with norms for allowing these global lending institutions to raise funds and list their debt securities on India's list", states Sebi chairman G.N. Bajpai.

This means the World Bank and the ADB and the likes will soon be permitted to raise funds through debt issues.

The market registrar has already received proposal from ADB and the International Finance Corporation and is going to come out with a new set of guidelines pertaining to the issue.

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To

Fruits of economic reforms: Rising Service exports; Security exchange; booming automobile sector; leaner and meaner Indian firms

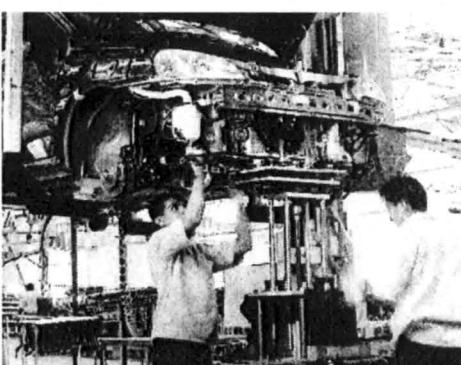
India began exporting software around 10 years ago; at that time it sounded like an elitist thing where a handful of top Universities would produce computer engineers for the software export industry.

But, the scene has changed now, today, our IT exports have diversified into a much wider field of services exports where various forms of services are being exported which include call centres, financial back office work and database creation. Reforms in the Telecom sector have enabled India to trade in a range of labour intensive activities in the international market.

Indian stock exchange is a state of the art and numerous other countries are trying to learn, how we

did it? Ours is the first country where the lag between selling shares and getting the money is of only two days. Also in terms of the no of trades the National Stock Exchange is third largest in the world, the success of our equity derivatives market is the envy of other developing countries.

The strength of the market infrastructure is obvious from the fact that in 1993, when there was modest surge in FII inflow, the Indian markets had collapsed. But this time in 2003 when FII's are coming it did not happen.



Another significant result of reforms, which needs to be quoted here, is that the automobile and component exports have doubled from 2002 to 2003, although the no is still small but we can say that India, the land of bullock cart has finally learned to make and sell cars.

In terms of the change in the infrastructure of Indian

firms, we can see that pre reforms most of the Indian firms had low wages, poor HR practices and de motivated staff whereas the foreign firms paid market wages and knew how to hire and fire, because of this reason many Indian firms which could not take the heat were either closed or had to restructure themselves completely, a blessing in disguise for Indian firms because after complete restructuring the outcome which emerged was a leaner, meaner and a fiercely competitive Indian corporate sector.

Thus it is clear that criticising reforms is absolutely useless, as because of the reforms only, India has emerged from a sleeping tiger to a tiger on prowl.