

# imprint

India's Foreign Affairs Magazine. International affairs.  
India's imprint on the world in business and culture.

## The NSA Polemic:

ONCE upon a time, Atal Behari Vajpayee's BJP government decided to create the post of a National Security Advisor (NSA), and finalised on Brajesh



M K Narayanan, National Security Advisor

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Mishra as the man of the post. This was part of a major planning, that of declaring India as a nation with not only nuclear capability but also one who's key concerns is that of national security. Eureka! A National Security Council was created, which would work in tandem with the NSA on matters regarding security but excluding those of diplomatic relations. This construction worked as a counter force to that of the Cabinet Committee of Security (CCS), which has, for years been functioning on both, external and internal security issues.

When the government changed hands with UPAs coming into power, J. N. Dixit carried Mishra's mantle. His recent death has brought the NSA controversy back into the spotlight. Nevertheless, Prime Minister Manmohan Singh initially announced M. K. Narayanan would look after the work of the NSA till an official appointment process is made. In the interim period the NSA became a post that was being vied for by diplomats amongst other keen candidates. Not without creating around it an aura of mystique, everyone began to wonder who the next NSA would be. Eventually it is March when M. K. Narayanan has been formally officiated as the third NSA. This time round however Manmohan has made significant changes whilst doling out the duties. The Diplomatic Assignments that were earlier connected with the NSA post have been divided between Indian Foreign Secretary, Shyam Saran and retired diplomat, Satish K Lamba. Even though, Narayanan is technically not to be bothered by cross border talks with either Pakistan or China it is believed that he is very much a presence in the ongoing diplomatic discussions with Pakistan Advisor

(Continued on pg 6)

## CHECKLIST OF VISITORS

President of the Republic of Maldives

**Maumoon Abdul Gayoom**

March 27 to April 01, 2005

Foreign Affairs minister of the Republic of Madagascar

**General Marcel Ranjeva**

March 21 to 25, 2005

Foreign Affairs minister of The Federal Republic of Nigeria

**Olu Adeniji**

March 21 to 23, 2005

US Secretary of state

**Condoleezza Rice**

March 15 to 16, 2005

Foreign Affairs minister of The Republic of Malta

**Michael Frendo**

March 07 to 12, 2005

President of Venezuela

**Hugo Chavez**

March 04 to 07, 2005

Crown Prince of Belgium

**Prince Phillippe**

March 05

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## PERSPECTIVE

### Real Politik is what you make out of it

We have the Ad campaign of Steel Authority of India Limited (SAIL) with copy 'Blame it on Beijing' putting these words to the Defence Ministry for affecting the supply of 20000 tonnes of special steel for building an Air Craft Carrier for the Indian Navy. But it's supposed to be ingenious Ad copy. *Beijing Olympics hits steel supply* is the headline. Not any foul intentions of Beijing, just the Olympics stadiums buying all the available steel! So it seems any problem India has we must 'Blame it on Beijing' Not Funny. On the same front page of the national business paper is a report suggesting that the US is eager to supply F 18s to India to balance the military power of China, despite the fact that the annual trade between India and China is \$13bn without any support from nobody nohow, just natural born trading on account of the hunger of the two economies. So what do you make of it? Isn't it sad?. It's a dirty world we all know but to push two countries to aggravation is not so nice. I am disturbed with the SAIL Ad which is also a government company, Ad gurus can be so dumb we all know, but we also know that Ad types as a rule play to public sentiment and in doing so mostly get carried away. The public sentiment in India is quite unnecessarily anti-China. We are naively falling prey into devious intentions.

Our mainstream newspapers are increasingly tabloidish without any make-believe at intellectuality or a clue of any other purpose than tits and ass kind of modernism, which is seen as progress of India as a super-power, and mostly the kind of anti-China sentiment is needlessly built up as 'purposeful' news. India is never supposed to be anti any other country, not the US which we have proved in the last five decades despite all the reasons. And not Russia or even China. India must get out of this trap of the super-powers if we really are going to be one, *with a difference*. India must send out a signal fast about our intentions in friendship with China and building the trade to \$35 Billion in the next decade or earlier. It is this trade that is going to make us a super-power not the F 18s as I wrote in my last *Perspective*. We must get real about the fact that 99.9% of our arms we need to buy from France, UK, Israel, USA, Russia, and hell why not China!! India is far from a super-power and any kind of arms race is meaningless for us. Defence is strong on building our capacity in building arms. Just in March I visited the INS Vikrant and it was disheartening to learn the Air Craft Carrier was built in a tearing hurry and it showed in every inch. The Vikrant was a "not to be used" ship, discarded, which is a museum today of our great strength after 60 years of being discarded. The last thing India needs is to be bluffed about its animosity towards China. If China can be converted from an imaginary enemy to a real friend then we can become powerful. Chidu Baba thinks we are a rich country. It's this kind of fantasy that has made India succumb to the insidious suggestions that our best interests lie in F 18s, if not for Pakistan then China. Wake up! And stop it.



Develop trade to  
\$ 35 billion

Anil Chopra, Editor & Publisher

The brief for *imprint* is India's international economic relations, and India's foreign policy impacting economic development, as also the imprint of India globally, arising from the actions of our government. And of Indians in their achievements internationally.

## NEWS

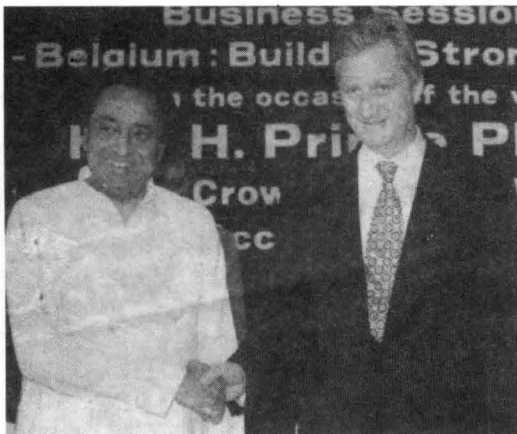


◀ India-Malta to increase political and trade cooperation: Michael Frendo, Foreign Minister of Malta with Indian External Affairs Minister K Natwar Singh.

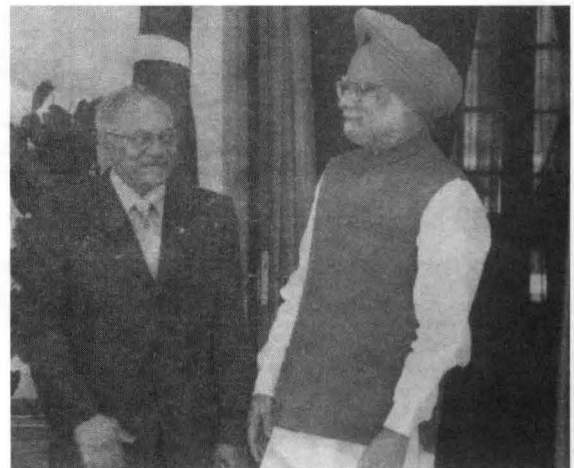


▲ India's gaze fixed on Venezuelan oil fields: President of Venezuela, Hugo Chavez Frias next to CII former President Subodh K. Bhargava (left) at a business gathering in New Delhi. Venezuelan President visited India earlier this month. Indian oil firms plan to have a stake in the Venezuelan oil fields.

▶ Building camaraderie: Venezuelan President Hugo Chavez Frias is flanked by the Indian PM Manmohan Singh, on his right is President A P J Abdul Kalam. Malta's Foreign Minister visited India in March.



◀ Power ties: Crown Prince Phillipe of Belgium with Commerce and industry minister Kamal Nath. There was a session on building strong partnership between India-Belgium at New Delhi. Both countries covet to strengthen ties in IT and power sector.



▲ India a supporting partner, not a big brother for Maldives: President MA Gayoom of Maldives meets the Indian Prime Minister Manmohan Singh. The meeting was held at the Hyderabad House in New Delhi in March end.

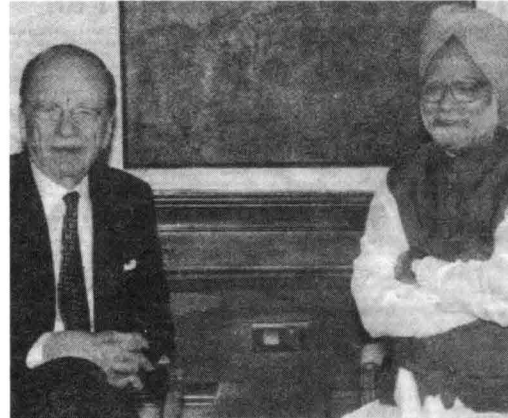


◀ Eyes wide open on India's word of concern: Indian commerce Minister Kamal Nath flanked by Belgium's Crown Prince Philippe(I), and Belgian Minister for Economy Marc Verwilghen (R). On the occasion, India expressed its apprehensions against bringing any new issue outside the Doha mandate.





▲ India-Africa; Together we shall overcome the hurdles: Natwar Singh, the Indian external affairs minister addresses a CII Conclave on India-Africa Partnership in New Delhi. The conclave was held in the month of March.



◀ Allow greater FDI in media sector, requests Murdoch in a meeting with Manmohan Singh. The News Corp chief was at New Delhi in March 05.



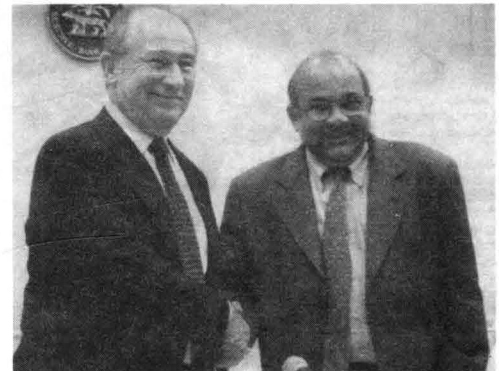
◀ Left blends with right: Indian Communist Party leader, A.B Pradhan (I) and Harkishan Singh Surjeet centre, in conversation with Pakistan's Prime Minister Shaukat Aziz in Islamabad. The left party leaders from India were in Islamabad in the beginning of March.



◀ Indo-Pak bonhomie, and no body is complaining: Jr. Musharraf in a jovial mood with the students of Lucknow University. Bilal Musharraf visited India in the month of March.



▲ Rice with Mr. Nice: Condoleezza Rice meets Indian PM Manmohan Singh, March witnessed the US Secretary of State's visit to India.



▲ Capital talks: Y V Reddy, Governor of the Reserve Bank of India with IMF chief Rodrigo De Rato in Mumbai.

▶ Indian FM with the IMF chief: IMF managing director Rodrigo De Rato (r) with the Indian Finance Minister P Chidambaram. Rodrigo De Rato visited India in the month of March.



## The Rising Rice

CONDOLEEZZA RICE, US Secretary of State embarked on her Asian odyssey with India as her first stop. A daylong visit in New Delhi resulted in some major power storming and a new bilateral agenda on the way. A review of the India-US strategic ties is expected to cover broad areas such as missile defence, high technology trade development that includes civilian nuclear and space programs. The relationship between the two countries has changed if not dramatically then significantly. In 1998, post the nuclear tests, the US had put major sanctions and restrictions on India, they have slowly been eased away to a more congenial collaboration of talks on F-16s and other military gear that India can import from Uncle Sam. Since January 2004 when the Next Steps in Strategic Partnership (NSSP) was launched between the two



Condoleezza Rice with K Natwar Singh

democracies things have started looking brighter especially within the high-technology segment. The US maintains firm licensing requirements for almost every country, so when 176 applications out of 185 were given clearance signal it was definitely good news. The Indian Department of Space alone got 32 approvals.

Rice met with Indian Prime Minister, Manmohan Singh, Minister of External

Affairs K. Natwar Singh and also Opposition Leader L K Advani. Her approach towards India was radical in the way she expressed Washington to be a beneficiary of stronger India-US relations. Rice offered to end the three decade old nuclear restrictions against India. Since 1974 when India carried its first nuclear test up until recently, America had refused to conduct any talks on nuclear energy and security. Rice's offer has been eagerly taken up as India makes plans to purchase nuclear reactors from America.

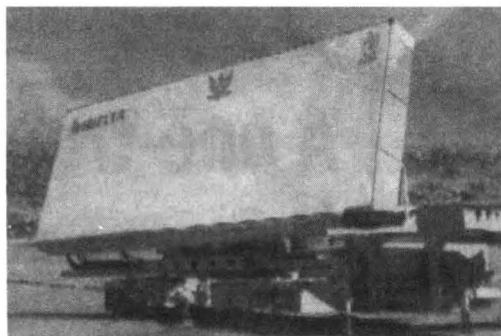
America and India have never been this close to achieving their goals, however a couple of hitches are still very much there. India can hardly forget, Colin Powell, the last US Secretary of State's visit when he coincidentally forgot to mention India as one of America's "major

non-NATO allies" but was sure to announce it in when he proceeded to Pakistan. Such significant details are rarely forgotten and Powell had played a dirty card. Another major catch is America's intimate alliance with Pakistan, a relationship that is crucial for the campaign against Al-Qaeda. India is right when it regards Pakistan as an exporter of terrorists into India.

Rice came to India with a lot of determination and enthusiasm to develop closer links. One very crucial unsuccessful mission was to convince India to putting a stop to the Iran-India natural gas pipeline. Possibly Bush in his visit to India later this year might attempt another go at voicing America's feelings on the pipeline. Hopefully, India does not deter from its original plan and goes ahead with the pipelines as well as strengthen its bilateral ties with America.

## India eager to increase missile defence systems

INDIA is all out to build a military defence system to reckon with. A recent Indian-US meeting in Hyderabad that focussed on missile defence brought to the surface India's demands and plans on national security. Presently India has already obtained two parts of the Arrow Triad missile defence system; the Green Pine Radar and the Phalcon Early Warning System. To purchase the third part,



Green Pine Radar System

which is the Arrow from Israel, India is awaiting for a clearance from Washington.

Pakistan is of course against India acquiring any

such military systems for it believes it will spurn an unneeded race between the two countries. Pakistan President Pervez Musharraf went on further to announce that his country is also capable of taking counter measures.

India's carefully charted out strategy revolves on the knowledge that a sturdy defence system will help put Pakistan and China's deterrence systems out on a limb. America has now acqui-

esced to selling another defence system to India called the Patriot.

Such talks are a result of the high-technology cooperation agreed upon between America and India could prove to be a positive sign in the changing relationship between democracy's superpower and most populous state in the world.

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## Blackwill's Will: Future plans for India

THE Confederation of Indian Industries (CII) organised an interactive session on the 'Future of US-India Relations'. Former US ambassador to India, Robert D. Blackwill had much to say on India's foreign policy with the States. From a list of 'things to do' he advised India to try reducing barriers to US imports and encourage US investments. Blackwill painted a pretty picture when he said the US should support India in its application to the United Nations Security Council for a permanent seat. The US however has



**Robert D Blackwill, Former US ambassador to India**

not shown any signs or favourable moves to this idealistic support. He proposed that the US should incorporate India in their global non-proliferation

regime, as a friendly nuclear weapons state. America should also "sell advanced weaponry to India and should enter into a vigorous long-term programme of space cooperation". A pre-requisite would be India's guarantee that any technology shared between the two countries should be protected from "seeping to a third country". Lastly India must support America in its mission to persuade Iran against its nuclear weapons programme and also to involve in the civil rebuilding of Iraq, if not actively then very quietly.

## The China Miracle: India asks China for Oil Partnership

THE Confederation of Indian Industries (CII) organised a conference on the 'The China Miracle' that broached the topic of oil and future partnership between the two countries. It doesn't take a clairvoyant to see that India and China can prove to be two of the future's toughest bidders of oil and energy projects. And if you can't beat them, join them. Mani Shankar Aiyar, India's Petroleum Minister at the conference spoke on the practicalities and profits that both the countries would benefit from if they decide to work together. Being the world's largest developing economies they can fight for the best prices in acquiring hydrocarbon properties. Separately, it might result in tough competition that will surely aggravate the bid prices in the world market. According to Wang Jinzhen, Assistant Chairman of China Council for Promotion of International Trade the India-China relations had improved. The bilateral trade between the two neighbours had risen to \$13.7 billion currently. Aiyar said that India is able to invest \$25 billion into oil and gas fields. Sun Yuxi, China's ambassador to India said that if India and China conjoined, they have the potential to be the strongest tie-up in the world.

## India goes to Algeria

E Ahamed, the Minister of parliamentary standing committee on External Affairs lead an Indian delegation to Algeria to attend the Arab Summit. This is the first time that India has participated in the summit and is a "historic event" said Saud al Faizal, the Saudi Arabian Foreign Minister.

In 2002 India signed a

Memorandum of Understanding (MoU) with the Arab League. This formed an alliance between the two sides to further collaborate and cooperate in the future. New Delhi has always maintained positive relations with the Middle East and the participation in the Summit this year was well appreciated by

all the Arab States. The Middle East looks to improving ties with India to which the UPA government has responded positively.

India too will be host to Abdulla bin Abdul Aziz, the Crown Prince of Saudi Arabia who will be visiting the country in response to an invitation by Prime Minister Manmohan Singh.

## The NSA Polemic:

(Continued from pg 1)

Tariq Aziz.

That Narayanan is fit for the job is unquestionable, after being Special Advisor to the Prime Minister and former Intelligence Bureau Chief, this was the next best thing to happen. The new designation created has caused quiet resentment in the CCS and the Ministry of External Affairs (MEA). What could prove to be

interesting is the reason why the MEA and the Prime Minister's Office played hide and seek with the post of the NSA for so long.. They have been accused of shadow boxing as well as being accused for following BJP's ideology by retaining the post of the NSA. Why is that the role of a NSA is so troublesome to so many inter-departmental groups. One obvious arrow points to the more federal sort of

government that this post allows for. India has always been a parliamentary democracy, and this new addition is causing a stir. Now finally, there is someone who is responsible for national security, it won't be easy to pass the buck around. And with big brother around, it might get difficult to play mischief. What is definite is that the National Security Advisor is here to stay and is worth a watch.



## Maltesers in India: Foreign minister of Malta visits India

MARCH witnessed the 40<sup>th</sup> anniversary of the start of the diplomatic relations between India and Malta. What better time than now for the Foreign Minister of Malta, Dr. Michael Frendo to pay an official visit to India. In the past few years the trade between India and Malta has been continuously increasing and for the year 2004 it was pegged at \$97 million.

The President of the Malta Chamber of Commerce and Enterprise, Mr. Louis Apap-Bologna, accompanied the dignitary and addressed the All India Association of Industries, that the Chamber can serve as a mediator for Indian businessmen interested in building economic relations with Malta. On this note a Memorandum of Understanding was signed between the two parties that covers a prospective bilateral relation.

At an official ceremony at the Hyderabad House in New Delhi another MoU was signed between Frendo and his Indian counterpart K. Natwar Singh that makes provision for an annual political consultations on areas of bilateral interest. Both sides were mutually agreeable to the activation of the Malta-India Mixed Commission on Economic, Industrial and Scientific Cooperation, which is expected to meet in Malta later this year.

Malta's entry into the European Union has helped pave an easier way into India, taking into account the India-EU summit held last year and a possible India-EU Strategic Partnership this year. Malta will also be hosting the next Commonwealth Heads of Governments meeting in November 2005.

Apart from agreements

and signatures, exceedingly interesting discussions on Aviation and Maritime were held between Indian and Maltese representatives. The Minister of Shipping, Road, Transport and Highways, Mr. T. R. Baalu explained how India was facing an embarrassing shortage of specialized lawyers in maritime affairs. This makes one think of the number of unemployed lawyers being churned out by Indian universities and whether they are even aware of such prospective jobs awaiting to be taken up. The Indian legal arena is supposedly saturated, if so then how come the government is facing a shortage of Black coats? However, Frendo offered to assist India's problem with help from the International Maritime Law Institute (IMLI) in Malta. Flying from Sea to

Air, Frendo on behalf of Malta's National Aviation Museum Foundation asked the Indian government's Ministry of Defence to consider donating an unused Indian Air Force Hawker Hunter. All in all, the Maltesers made sure that India and Malta have strong future connections.

## Siachen Withdrawal: All talk no show

IN a recent statement issued by Pakistan the border control authorities offered to pull out troops from the Siachen Glacier if India followed suit. New Delhi has not given this any importance and rejected the offer to withdraw its troops from the Siachen-Saltoro region till Pakistan assented to authenticate the present positions.

Pakistan's Foreign Minister reiterated Pakistan's offer to remove its troops from one of the world's coldest battlefields. India contends that until there is a definite Actual Ground Position Line (AGPL) it does not intend to extract its troops from its positions.

The constant to and fro of the problem will not stop since Pakistan is bent on acquiring the pre-1972 troop positions, and India presumably violated the Simla Agreement by occupying the glacier in 1984.

These discussions have all been done before so as more talks take place, India's army stays on, protecting the nation's cold glacier.

## India-Korea to improve bilateral economic ties

INDIA'S look east policy is developing wings. A joint study group (JSG), that consists of officials, experts and industry representatives of India and Korea met in New Delhi to discuss future plans and prospective strategies. The Indian representatives include officials from the Federation of Indian Chambers of Commerce and Industry (FICCI); the Confederation of Indian Industry (CII); and the Indian Council for Research on International Economic Relations (Icrier) among others. The joint study group involved

experts, industry representatives and officials from both the sides. Significantly, it was the first meeting of the JSG.

Korea is presently one of India's biggest foreign investors and plans to further expand their presence in the country. Korean companies such as LG and Hyundai are good telling signs for Korea that India will prove to be beneficial to them, the latest entry being the Korean steel company Kosco that intends to invest close to \$10 billion in an integrated steel plant. India too has big

aims of exporting textiles and leather to Korea and hopes to create more opportunities for such trade. The JSG will chart out existing barriers that lie between the two countries and work on ironing them out.

The next meeting of the JSG shall take place in Korea. India and Korea. With the JSG coming into existence, India and Korea can now work on improving bilateral economic ties and can examine the feasibility of a comprehensive economic cooperation agreement in future.

## Will India get a UN Security Council seat?

THE United Nations wants to expand. Countries all over the globe have been thrown into a state of flutter and excitement at the prospect of being a part of it. At present, when the entire world is discussing the relevance and the actual influence of the UN especially since it was unable to stop the invasion of Iraq by the United States of America and Great Britain India is still pitching to become a permanent member of the UN Security Council. The UN has two options to choose from; Plan A would admit six

new permanent members and three new non-permanent seats with three year terms and Plan B would have eight new semi-permanent rotating seats with one new non-permanent seat. However both options would expand the present council from 15 to 24 seats. Why India hopes to make it is because one of the new reforms options that the United Nations plans to adopt states that the new member might not be from Europe or be a developed nation.

India, Japan, Brazil and Germany have conjoined to form a lobbying group

that will support one another's candidacy for permanent council seats. Pakistan of course is opposed to India's candidacy. India is also trying to secure the support of many African countries.

Keeping this in mind, the Indian Government recently joined hands with the Confederation of Indian Industries (CII) and Exim Bank to host the India-Africa project partnership conclave for sectoral partnership. The conclave was held in the beginning of March. K. Natwar Singh, the Minister of External Affairs at the inauguration

of the conclave expressed "India is a legitimate candidate for a reformed and expanded Security Council. Africa's support is necessary for this and a seat for India on the Security Council will be an additional voice for India on the Security Council to articulate its concerns in inequities in the International order."

In the same breath the Foreign Ministers of India, Brazil and South Africa stated that the UN no longer represented the reality of today's world and must expand, reform and include more developing nations.

## 'The Peace Pipeline' finds many stoppers

INDIA'S growing economy's most pressing demand is oil and natural gas. As its own oil reserves are depleting, India is looking toward the Iran-India gas pipeline with keen anticipation. The proposed \$ 4.16 billion pipeline runs 1700 miles from Iran's South Pars field crossing Balochistan in Southern Pakistan and into India. Pakistan will get a third of the gas and the rest will be received by India. A trilateral collaboration can never be too easy especially when the US is frowning on Iran whilst sternly informing India and Pakistan of its disapproval. India and Pakistan are still not on very comfortable terms, is another hitch to the project.

From a distance the project seems near to impossible to say the least. America's Ambassador to India, David Mulford an-

nounced to the Indian Petroleum Minister, Mani Shankar Aiyar of US's serious concerns on Iran and its nuclear weapons programme. Ironically, Iran's an eager beaver in the project because it seeks India's support on the nuclear programme it has planned for itself. To make matters worse, Pakistan is demanding a high transit fees that can shoot anywhere between \$70 million to \$ 700 million a year. Pakistan President Pervez Musharraf has been quoted for expecting a dizzy transit fees for as much as \$ 700 million, however, a spokesman for Pakistan's Ministry of Petroleum reassured that Pakistan would receive transit fees based on usual charges in other parts of the world and would range between \$70 - \$80 million. One can hardly forget that India will be taking an expensive risk

by allowing the natural gas supplies to pass through Pakistan, and run the danger of it being stopped at any given time, depending on the political scenario. Pakistan will be required to provide India with a guarantee of stability in its agreement on the so-called 'Peace Pipeline' project.

Far from peaceful, the Balochi tribesmen sent a sure signal of resentment as they attacked the gas lines that supply to Karachi few days after the Iranian Oil Minister B. N. Zanganeh visited India to discuss the future of the pipeline project. A deep-sea pipeline from Iran to India can be another alternative but it would cost four times more than the land pipeline. Pakistan has also made it clear that if India were to refuse to participate, it would still carry out the pipeline plan, possibly to China. To top

it up, U.S. Secretary of State, Condoleezza Rice on her visit to India and Pakistan tried sending a strong message of US's mounting misgivings with the ongoing pipeline talks. With so many hurdles to cross, Mani Shankar Aiyar needs to have one really careful horse!

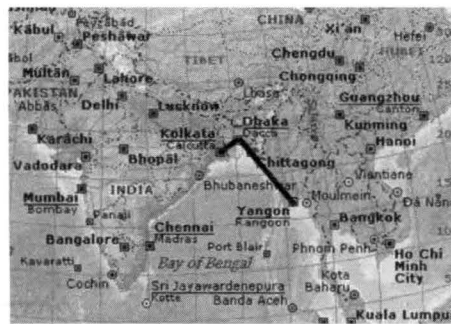
## India GDP growth to exceed China

THE CII has estimated a GDP growth rate of 10% for India in the next two years. If this happens, India would have overtaken China in GDP growth. Consequently the agriculture, industry, manufacturing, trade and service sectors would be on an all time high.



## India-Myanmar pipeline faces obstacles

TALKS on the \$1 billion – 290 km gas pipeline from Myanmar through Bangladesh into India are on the table and might see progress shortly. Bangladesh serves as a transit route for the pipeline and is making sure it takes full note of its role in the trilateral agreement. Losing no time, Bangladesh made its stance very clear at the first meeting of the India-Bangladesh-Myanmar pipeline committee. Dhaka has prepared a list of pre-conditions and conditions for India that include improving trade and more importantly transit rights to Nepal. Dhaka is zeal-



**Proposed India-Bangladesh-Myanmar pipeline**

ously pursuing access to hydro-electricity from Nepal and Bhutan that would require a transit facility through India. Bangladesh has not show any cognizance in the fact that including bilateral

agreements in a tripartite pact is not a done thing. The Indian Foreign Secretary Shyam Saran has stated in a letter to the Petroleum Secretary that the tripartite Memorandum of Understanding shall not include bilateral issues.

The gas that India will import from Myanmar through the pipeline is estimated at \$4.27 per million British thermal unit (MBTU). Myanmar is aim-

ing at a price that ranges close to what they charge Thailand. If one were to include transit fees the price per MBTU would rise to \$5. This is pegged 20 % higher than the estimate given by Iran for its natural gas.

India's Minister of External Affairs, Natwar Singh went on a three-day official visit to Myanmar to discuss future energy collaborations and bilateral ties. Hopefully, India succeeds in its ambitious strategy to secure future energy supplies without creating too many conflicts or run up expenses that tear the pocket.

## Go G-20!

THE G-20's (group of 20 developing countries) ministerial meeting hosted by New Delhi discussed new strategies and prepared for

treaty were under revision, now however, the two-day meet in India focussed on the progress and technical aspects achieved by the new

tropical products of export importance. Indian Minister of Commerce and Industry, Kamal Nath declared that rules of global trading

largely depend on the agricultural sector. A complain against the high farm subsidies for farmers in rich countries provided the farmers in developing an unequal ground to play on. Apart from the agro based talks, the ministers concentrated on Non-Agricultural Market Access (NAMA), industry goods, services and other issues that the G-20 can come up with for the Doha Round due to be held by 2006.

This time round the list of participants had increased to include the Africa-Caribbean-Pacific countries and the least developed countries (LDCs). Uruguay was welcomed as the 21<sup>st</sup> member of the developing nations group. The next G-20 meet will take place on May 7 and 8, alongside the next ministerial WTO meeting in China.

### G-20 Nations

Argentina	China	India	Pakistan	Tanzania
Bolivia	Cuba	Indonesia	Paraguay	Thailand
Brazil	Egypt	Mexico	Philippines	Venezuela
Chile	Guatemala	Nigeria	South Africa	Zimbabwe

the WTO meeting going to be held in Hong Kong this December. G-20 is moving forward aggressively on global trade talks, judging by their success in the last WTO talks held in Mexico, this year might prove to be as fruitful. When the G-20 rejected the US-EU proposal on farm trade, the WTO churned out a new framework agreement that was mutually acceptable to both sides. Negotiations on a new international trade

framework.

The New Delhi Declaration was adopted by the G-20 that called for elimination of all farm export subsidies by the developed countries in the next five years and substantial cuts in trade-distorting domestic agricultural support. The declaration also documented the special requirements of the LDCs and called for a long overdue commitment by the developed countries to liberalise

cannot be made by few select countries instead by countries by consensus. It was apparent that the mantra for third world countries was unity and fighting for justice in global trade especially in the agricultural sector.

The ministers unanimously supported the tariff reduction formula; special and differential treatment for developing countries as it sustains rural development and economies that

## The Royal Coup and its aftermath: India-Nepal relations

NEPAL'S new Foreign Minister Ramesh Nath Pandey visited India only to get a cool reception and admonishment for the royal takeover. This was Nepal's first contact since King Gyanendra seized power in Kathmandu on February 1. India however maintains a stern disapproval for the Nepal King's latest political manoeuvre. Pandey might have been dispatched to build the bridge, India for its part has made it clear that it expects the monarch to restore democracy in the Himalayan Kingdom with expediency. The King has given an idea that his term would last for about three years and in turn received pressured criticism from India, Britain and the US.

Pandey's meeting with his counterpart Natwar Singh saw no joint press conference while Pandey clarified the King's motive's for declaring emergency, dismissing the multi-party government, detaining political leaders and imposing censorship on the press. Several Indian TV channels have been blacked out by Nepal and Indian joint venture companies are facing problems with the current political scenario. The Indian Ministry of External Affairs therefore announced the demand for lifting of all restrictions on its entities in Nepal to help improve the India-Nepal relation. Concurrently, India's withdrawal of military aid to Nepal is hampering the Royal Nepal Army's capabilities in fighting off the Maoists and the



King Gyanendra

Ramesh Nath Pandey,  
Foreign Minister of  
Nepal

political agitation in the country. Nepal is arguing that this would only further strengthen the maoist influence but India remained non-committal on the issue claiming it was under "constant review".

A turning point has been

Pakistan's open offer to supply arms to the Royal Nepal Army. India is now amidst a policy problem after imposing an arms blockade post the royal takeover and the current situation against Pakistan's defence supply offer. What New Delhi does agree upon is the crucial truth of the Maoist nuisance that braces India as well. With 170 districts under the Naxalite influence, the Department of the Home Minister issued a statement to the

effect that the troubling KLO militia in the northeast have joined hands with the Maoists in Nepal. India and Nepal have been close and the King believes that everything will revert back to normal, however India has shown no such signs as yet. Both Pakistan and China are watching Nepal extremely carefully as they are keen to gain a foothold in the Himalayan Kingdom. India needs to act quickly with foresight before China and Pakistan swoop down and fish Nepal out of its troubles before India gets a chance.

## India provides training to Paraguay

LEILA RACHID, the Paraguay's Minister for External Affairs was in India participating for the G-20 meet that took place in New Delhi. Talks between Rachid and his Indian counterpart resulted in an agreement between the two countries to promote bilateral trade,

IT, agriculture and business. This agreement is expected to generate trade worth \$2 billion to over \$25 billion in a few years.

Paraguay has expressed an interest in opening an Embassy in the capital and collaboration in the science and technology sec-

tors. Rao Inderjit Singh, the Indian Minister of State for External Affairs has also accorded to train Paraguay in several areas like diplomacy and English language that come under the Indian Technical and Economic Cooperation (ITEC) program.

## Defence brings India-Vietnam ties closer

MINISTER of Defence Pham Van Tra paid an official visit to India in March to develop talks on military cooperation between the two countries. Pranab Mukherjee, the Indian Minister of Defence met with his Vietnamese counterpart and agreed to cooperate with Vietnam in military dealings, politics and foreign affairs. India has offered language assistance to the Vietnamese Academy of National Defence.

Vietnamese Fisheries Minister Ta Quang Ngoc also visited India and met with Indian Minister of Agriculture, Sharad Pawar. Both sides discussed cooperation in the fisheries sector, aquaculture management and technology whilst addressing developed nation's shrimp product tax impositions.

Pham Van Tra, Minister  
of Defence, Vietnam

Pranab Mukherjee

Vietnam has also extended its support to India in its application to become a permanent member of the United Nations Security Council.

## Cultural Imprint

## Colours of Indian art spreading from west to east

NO longer is art for art's sake. In this era of art as an investment Indian contemporary art has made a late but a prospectively bright entry nevertheless. It has begun to catch the attention of art critics and collectors all over the world. South East-Asian countries especially have shown a keen interest and witnessed three commercial shows in Singapore and Hong Kong alone. These shows are a complete sell-out and plans are being made to hold them annually. M. F. Hussain, Raza and F. N. Souza are artists who made it to global fame slowly but the present scenario has become conducive and profitable for other up-and-coming artists such as Jogen Chowdhury, Paresh Maity, Manjit Bawa, Suvaprasanna, Jatin Das

Christie's Auction Price Estimates of Significant Indian Art Works On Sale	
Raza:	\$100,000 - 150,000
A. Padamsee:	\$80,000 - 100,000
Hussain:	\$50,000 - 90,000
Ramkumar:	\$50,000 - 70,000

and Vaikuntam. These avant-garde Indians are heralding a new age for Indian art.

Recently the Indian Council for Cultural Relations in conjunction with a Delhi based 'Art Alive' gallery, the tourism ministry and the South Korean fest organized a major exhibition of contemporary Indian art in South Korea. The show was part of the 'Incredible India' festival in Seoul. Sunaina Anand, director for 'Art Alive', states that the private commercial galler-

ies in Seoul are keen on putting up Indian exhibits. Similarly upbeat signals are coming from Chinese and Japanese art markets, which is advantageous for Indian artists.

Meanwhile the observers of the art world note that the international market for contemporary Indian art is looking extremely promising. Hugo Weihe, International Head of Asian art at the Christie, the renowned art auction house, expresses "Of course, we are excited that the Indian contemporary art is finally coming into its own and catching up with international level of price appreciation." Let us take a glimpse at some significant Indian art works on March 05 sale at the

Christie.

Significantly, if we compare the west and the east then in the pan-Asian markets modern Indian art is being sought after mainly by Non Resident Indians, contrary to this, Indian art in the west is grabbing appreciation by mainstream buyers as well.

Buyers have realised that Indian contemporary paintings are 'undervalued' compared to other style of overseas art. Christie, in its pre sale estimate mentions that for its March 2005 sale the total estimate price tag is pegged at \$2.2-3 million. It has got 94 pieces to be auctioned; interestingly this figure is more than double of last year's. It has been a slow uprise for the Indian art scene; however, it has culminated into something short of a boom.

## Pakistan releases 529 Indian Fishermen

IN January earlier this year, 268 Indian fishermen were released and sent to India. Three months later, Pakistan has decided to release another 529 Indian fishermen through the Wagah border. Most of the

fishermen are from the Saurashtra region. After reaching Amritsar they have travelled to New Delhi and from there onwards to Rajkot. However, there are still 266 more that are still held back in Pakistani jails.

Even though these fishermen have returned to their homeland, they are grieving over their unreturned boats. With no livelihood or means for supporting themselves, they are collectively planning to visit

Dandi on April 6, to meet Prime Minister Manmohan Singh. India awaits for Pakistan to release more batches of Indian fishermen that are presently languishing in Pakistani jails.

## Sanction traffic: US warns India on Human Traffic

THE US Embassy has sent back an annual report on conditions in India regarding the child and women trafficking situation. And Washington does not seem very pleased. The US Victims of Trafficking and Violence Protection Act divides countries into three categories ranging from Tier 1 to Tier 3 being the worst of the lot.

India for the moment hovers in the Tier 2 bracket but is daringly slouching towards the Tier 3 classification. If that happens, then the Act mandates the US government to vote against loans given to India from international financial institutions. A further consequence could be a dead-end in the bilateral assistance that is cur-

rently an ongoing effort between the two countries.

India is notorious in the international circuit for the business of trafficking women leave alone rampant violations of human rights. The laws of the country are specific and strict; the enforcement however, is not. What America wants is a massive list of convictions

against these traffickers. Most of the nations metros have produced a fair share of convictions but they seem paltry in comparison the actual number of human trafficking taking place. India better start paying more attention to the problem or it might suffer from harmful sanctions and international disgrace.



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