

# imprint

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## Himalayan Paradise in trouble: India gravely concerned

"I here by dismiss the Deuba government and assume all executive powers in line with the constitution," these were the words of King Gyanendra of Nepal. In his televised address to the nation. This was a terrible blow to the pro-democracy movement in Nepal. Immediately after this, members of major political parties in the troubled country were put under house arrest.

King Gyanendra sacked Prime Minister Sher Bahadur Deuba's coalition government, grabbed the



Entangled wires

power for the next three years and declared the state of emergency. All communications with the outside world was sealed, the airport closed, telephone line disconnected, and internet and mobile services severed. The paradise has been in trouble since quite a long time. The strength of the Maoist rebels has been continually rising, and King Gyanendra believes that the Prime minister Doeba has failed to do his duty.

Indian government is anxious because the Nepali authorities are not at all communicating. This

makes a situation where it is very difficult for India to take a decision to provide military support to Nepal. Because, if India continues to give unconditional support to Nepal, then at this juncture it would mean supporting the autocrat. On the other hand if India discontinues its support, then this would lead to Maoists becoming strong in Nepal. Which is in turn not a good situation for India. Now time only will tell, whether peace and normalcy would return in Nepal or we would have to live in a troubled neighbourhood.

## Joining hands to fight WTO

FOR a long time the so-called developed countries at WTO were dictating terms for trade, all across the globe. Developing countries were increasingly feeling the pressure. Now the economic equation across the world is changing, a new economic paradigm is being created. India the emerging leader, of the new world is now in a position to fight WTO.

On the occasion of the 150<sup>th</sup> annual general meeting of the Bengal Chamber of Commerce, Bengal Chief Minister, Buddhadeb Bhattacharjee quoted the statement made by the Union commerce & industry minister Kamal Nath "India has taken an initiative to forge an alliance with 22 other developing nations. A nodal group will be formed and this will fight the increasing pressure from developed countries within the World Trade Organization." The annual general meeting was held in the end of December. This marks a beginning of an era of the opposition to the coercion by developed countries in the WTO.

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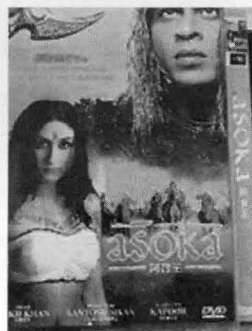
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## Not really a Superpower

Chinese companies are increasingly participating in expositions in India. It is strange that the government via corporations, state governments, and institutions indirectly owns most companies, sometimes many companies competing with each other. The business ideas and business ideology are developed in keeping the communist system of government in power. The Chinese style is practical to the extreme. Whether in organising the biggest expo on adult entertainment or opening an India street in an industrial city in demand to the labour's interest in Chandni bars. So you have a Awara Hun bar on a street labelled India Street, for credibility sake you also have a store selling shawls and handicrafts, possibly owned by the owner of the Awara Hun chandni bar. Bollywood is the best friendship mascot for India, where Tibet or China, Kazakhstan or Afghanistan. Iraq or Iran. However, the Indian foreign ministry must realise this and cover the lapse of many decades now since Raj Kapoor, as most Chinese still know Awara Hun but not so much SRK or AB, or whoever. The potential exists for major cultural jamming and bi-lateral JVs or rather getting cosy need not only be restricted to oil and gas. My point is our government is lazy. No initiative in planning to leverage the friendship battle. Self-confidence is missing in the government officials in the India response factor.



Bollywood in China, a pirated DVD of Bollywood film "Asoka" available in the streets of Beijing for less than \$1.

India is on a high with all the newspaper headlines 'Dawn of an Indian century', 'Open trade can unlock India's potential'. But the fact remains that to a great extent India is really backward or rather undeveloped in manufacturing. Our industry is actually less to blame than the government. Indian industry has selfish intentions no doubt. Import from China and sell and who cares about manufacturing is the credo. And the government has more or less decided this is okay, and that they are powerless to do anything about it. If India does not most immediately realise the danger in this trend in the sphere of electronics and semiconductors and all high-technology instruments, we will regret dearly very soon. Software is not the key. Nor is the knowledge based R&D, or design et al. Since all of these activities are done for the net result of manufacturing. Period. In manufacturing lies strength in a nation that cannot be substituted. Our manufacturing in defence at least does not reflect any strength as a nation. In fact with exports of US\$130 million it does reflect how backward we are. And US \$ 7.3 Billion is spent abroad. Our government is peopled with bureaucrats who are paranoid, not well read, no vision or understanding the dynamics of any industry. Prime Minister, Manmohan Singh has said India is a nuclear weapon state and India must have veto rights in the UN Security Council. Fine, being a nuclear weapon state is not so powerful. So is North Korea, Pakistan, Iran, and so can be a dozen other countries. The US or Russia are not impressed with nuclear capability. Not when we have to buy \$7.3 Billion worth of arms from other countries. Get the point. Population size is not the key either. Also taking calls and writing software is not the key either to claiming veto rights in the UN as a superpower.

And the checklist of visitors: King of Bhutan, Jigme Singye Wangchuck, Chinese Vice Foreign Minister, Wu Dawei, Japanese Finance Minister, Sada Kazu, Tanigaki, Canadian PM, Paul Martin, President of Chile, Ricardo Lagos.

Anil Chopra, Editor & Publisher

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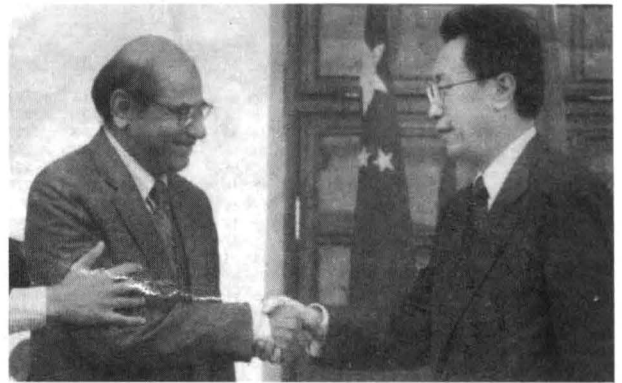
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## NEWS

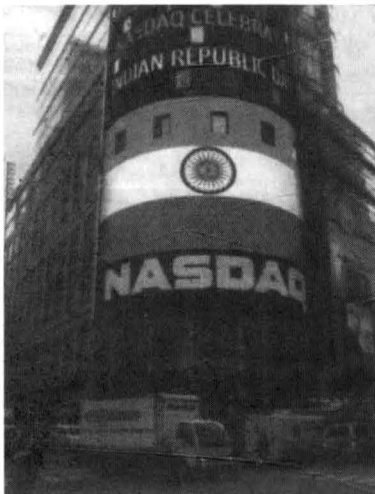


Stepping up of cooperation: Indian Prime Minister Manmohan Singh greets the King of Bhutan Jigme Singye Wangchuk (r). The monarch came on a five-day state visit to India in January this year.

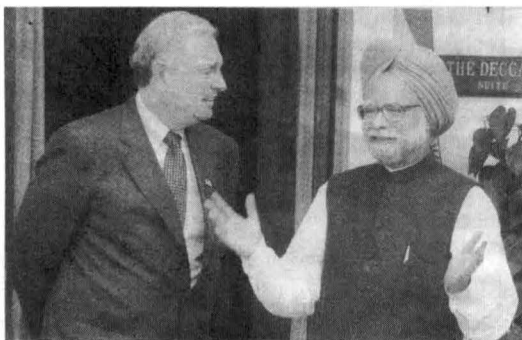


Global dialogue between the two superpowers of the future: Chinese vice-foreign minister Wu Dawei meets Indian foreign secretary Shyam Saran in New Delhi. The occasion was the first Indo- China strategic dialogue on major national and international issues.

Nasdaq salutes the emerging economic giant- India: Nasdaq market site at the Times Square New York, USA, dotted the Indian tricolour on the occasion of Indian Republic Day.



Japanese finance minister Sada Kazu Tanigaki (middle) with Planning Commission deputy chairman Montek Singh Ahluwalia. The venue was latter's office in New Delhi.



Prime Minister of Canada Paul Martin met his Indian counterpart Manmohan Singh in New Delhi. The Canadian PM was on a two day visit to India in the mid of January. The two countries decided to work together on a wide range of issues of mutual interest.

Strengthening the ties with East: CII President Sunil Kant Munjal (l) greets the Malaysian Prime Minister Abdullah Ahmad Badawi (centre). Left is FICCI President Y.K. Modi. The occasion was the India-Malyasia Business Forum in New Delhi in the December end.



Combining Business with pleasure: Recardo Lagos, President of Chile, with his wife in front of the Taj Mahal. The President visited India in January 2005





▲ Talking business: Ricardo Lagos, President of Chile(r) with Nirmal Bhogilal, past chairman, CII-western region(r) and Habil Khorakiwala, vice president FICCI. The occasion was a business session jointly hosted by the industry bodies in Mumbai.



▲ Let us overcome the hurdles on the way of Iran-Pakistan-India pipeline: Gail India Ltd Chairman and Managing director Prashanto Banerjee (r) welcomes Iran's Deputy Minister of Foreign affairs Ali Majedi in New Delhi. The meeting was held in the end of December.

Must realize the full potential of Indo-US ties: Former US envoy Robert Blackwill speaks at a session on 'US-India relations' at the CII.



▲ Building bridges over troubled water: Priyaranjan Das Munshi, the Indian water resource minister greets Pakistan's water resource secretary Asfaq Mahmood (3<sup>rd</sup> from left). The secretary level talks on water issues were held in New Delhi early this January.



▲ Realizing the potential of liquid gold exploration in India: (From left) Managing-director as Gas, Jerry Wolahan, MD Total Gas and Power, CMD Gail Prashanto Banerjee, CEO BritishGas India, Frank Champan at Petrotech 2005 in New Delhi.

Our neighbour dissipates the nuclear know how to the world, then claims that South Asia is no longer a nuclear flash point: Meera Shankar, the additional secretary in the external affairs ministry with her Pakistani counterpart, Tariq Usman Haider in Islamabad. The meeting held in December was on nuclear confidence building measures.



## Pak again breaks the rule: ceasefire violated

JANUARY the 18<sup>th</sup> saw violation of the ceasefire by Pakistan. There was mortar shelling from the Pakistani side. This time 12-13 infantry mortars were fired from the Pakistani side across the LoC on Indian posts near Poonch. The Indian troops did not retaliate.

"Bleed India through jihad," this has been the policy of Pakistan since a long time. Of late the Pakistani army appears to

be a bit 'frustrated' because it has not been able to push infiltrators across the border to India. This has been possible due to setting up of multi-tiered fence, surveillance devices and tactical deployment of troops all across the LoC.

Some persons in the Indian army are of the opinion that this incident could be a result of the growing unease within a section of the Pakistan army with the peace process and its de-

sire to collaborate with jihadis who have always opposed the talks.

As such this 13-month ceasefire has actually benefited the Pakistani army. Taking advantage of the truce, our neighbour has strengthened its position. Reports say that Pakistan has constructed 41 new defence structures including 25 concrete bunkers and 16 bunds along the international border in Jammu frontier. Out of

these some are on the disputed land.

Indian authorities have conveyed their resentment to the Pakistani director-general of the military operations, Major-General Mohammed Yusuf. But for the sake of regional peace India is downplaying the whole incident.

## Natwar Singh visits West Asia

INDIAN External affairs Minister K. Natwar Singh had a scheduled visit to Oman, United Arab Emirates and Bahrain in the end of December. The visit was from December 24-26. In Oman Natwar Singh met with the Sultan of Oman. Apart from this, various regional and international issues were discussed in his meeting with his counterpart His Excellency Yousuf bin Alwaili. There appeared to be a total consensus between the two countries to make an effort in bringing the peace and stability in the region

## Chinese vice-foreign minister visits New Delhi

CHINESE vice-foreign minister Wu Dawei visited India in January end. The vice-foreign minister met up with Indian foreign secretary Shyam Saran in New Delhi. The occasion was the first Indo-China strategic dialogue on major national and international issues. This was the first ever-strategic dialogue between the two countries. It was in the year 2004 that a dialogue was proposed between the two countries

but it has taken almost a year for the first interaction to take place between the two countries.

The discussions were held on various issues like terrorism, North Korea, Pakistan and US, Iraq and Iran and nuclear and energy issues. A number of



Wu Dawei,  
Chinese vice-foreign  
minister

bilateral issues were also discussed in the meeting. There were initial talks about the forthcoming visit of the Chinese Premier Wen Jiabao. Boundary issues were also discussed. Apart from this a number of regional and global issues were also discussed.

## Traditional Indian delicacies likely to be relished by German taste buds

GERMANS it seems are interested in traditional Indian processed foods. They probably will be importing quality products. An Indo-German bilateral trade of processed foods is on the anvil. The Central Marketing Organization of the German Agricultural Industries (CMA) is all set to attract the Indian processed food industry. The

primary responsibility of CMA is to promote and market German agricultural foods and beverage products in other countries. In return it will also import traditional Indian processed foods to Germany.

According to CMA-export service consultant George Ronald Mull, "India could be of high po-

tential and become a major food supplier to the world," the advantage is that India produces three crops in a year. So it appears that India and Germany could now exchange some delicacies. Only concern is the quality standards of the Indian products, which needs to be strictly controlled at the Indian side.

## JETCO to reduce trade barriers

JETCO - The joint economic and trade committee is being set up by India and UK. This will help remove bureaucratic hurdles which affect the flow of foreign investment into India. JETCO is a joint effort between the two countries and the companies from both countries.

## Oil diplomacy to give India a crude power

THE month of January saw India finding a new voice in the global energy should be built which would enable consumers to enjoy an uninterrupted



Indian Petroleum Minister with participating country members at the round table

economy. A round table of Asian Ministers on Regional Cooperation in the Oil Economy was held in New Delhi. At the Round Table India floated the idea that a joint strategic reserve

flow of supplies and producers to get the benefit of uninterrupted flow of oil revenues, as a solution to the sustenance of Asian stability.

At the Round-Table, In-

dian Petroleum and gas minister Mani Shankar stated "for us in Asia the answer to security and stability lies in promoting mutual interdependence against unexpected disruption of supplies as a joint emergency response mechanism," he further expressed "perhaps we should consider jointly building storages in oil deficit Asian countries and joint ventures relating to the assurance of markets for producers and continuous supplies for consumers.

This roundtable is of great importance for India and the participating countries. Long back the Non Aligned Movement signified autonomy for India's

foreign policy. Now in the present scenario, with eight regional economic power-houses participating in it, the Round Table of key Asian oil buyers and West Asian sellers has given India a voice in the global energy economy.

## Destination Malaysia: Multiple entry visas to Indians

THERE is good news for Indians who travel to Malaysia regularly for business purpose. The Malaysian Government has decided to give multiple entry visas to Indian businessmen travelling to Malaysia.

India is viewed by Malaysia as a strategic partner. A joint committee representing members from both the countries would be constituted. This joint committee would evolve a mechanism for comprehensive cooperation between India and Malaysia. This was disclosed by the Malaysian PM Abdullah Ahmed Badawi on his India visit in the end of December last year. Provision of multiple entry visas to Indian businessmen would definitely boost the bilateral economic cooperation and increase the volume of trade between the two countries

## Cognizant creates cognisance: Listed in the elite Nasdaq 100 index

THE Nasdaq 100 Index, the elite index has a new entry, and yes it is an Indian company.

Cognizant Technology Solutions has been listed at the elite NASDAQ 100 Index.

This Hyderabad based IT service provider has made a place in the elite index, effective Dec-29, 2004. On

being listed at the index, the Indian company has entered a select list of companies of repute, such as E-Bay, Cisco and Dell.

Now what is this Nasdaq elite index? The index consists of the 100 largest non-financial stocks listed on the Nasdaq based on market capitalization. The

index securities are evaluated annually to determine which securities will be included. The Cognizant had a market capitalization of \$5.3 billion on Dec 22, 2004. This entry once again proves that the offshore outsourcing is mainstream and India has entered the big league.

## Global ventures: NTPC plans to set up a power plant in Lanka

NTPC has taken its first global initiative. The Indian thermal power giant NTPC has planned to set up a 300 mw, Rs 15,00 crore coal based power plant in the neighbouring country Sri-Lanka

The partners in this ini-

tiative of NTPC are Bharat Heavy Electricals Ltd (Bhel) and the Ceylon Electricity Board (CEB). The project would be on a debt-equity ratio of 70:30, of the 30% equity worth of Rs. 450 crore, CEB would not hold more than 10% and the

balance of Rs.405 crores would be shared by NTPC and Bhel. From various sources the debt would be raised of Rs.1,150 crore a comprehensive proposal submitted by the NTPC to the Sri-Lankan government states this.

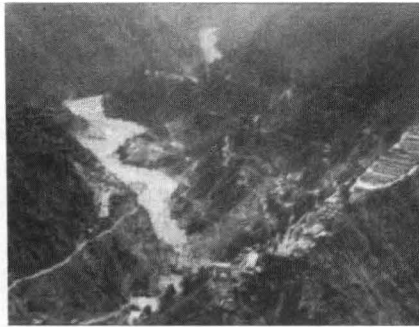
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## Pak's attempts to throttle J&K's Jugular vein foiled: Baglihar project to carry on

TALKS were held between Indian and Pakistani authorities early this month. The talks were to discuss construction of the 450 mw. Baglihar power project in Jammu and Kashmir. It is sad that both sides were unable to come out with any concrete result, or in other words the 'talks failed'. Pakistan also threatened of the World Bank intervention.

Pakistan's objection to the project was based on three aspects related to the construction of the dam. First- There has been violations by the Indian side in relation to the water storage capacity, also known as bondage capacity. Second-



that India has violated the height of the dam. Third- it charges that the height of the gates, for the release of the water, was not at the highest level. India denies these charges and maintains that there had been no violations.

On the other hand, ac-

cording to Indian authorities, the bondage capacity of the dam is within the prescribed limits. It also insists that the heights of the gates are a technical requirement, which confirms with the modern, world standards, related to the dams.

Unruffled by the Islamabad's stiff resistance on the issue, India has decided to go ahead with the construction work of the dam. Indians can't afford to stop the construction work on the dam just because of Pak's resistance.

Already the J&K Power Development Corporation, the nodal agency handling the project has invested over Rs. 2,000 crore in Baglihar. And as per a status report issued in December 22% of the concreting work has been done on the dam. Now we can only hope that Pakistan does not create more hurdles on the path of the Baglihar Project and this brings prosperity to the region.

## President of Chile visits India

JANUARY witnessed President of Chile Ricardo Lagos visit India. This was a first ever visit by a Chilean head of state to India. During his visit a Framework Agreement for the Negotiation of a Preferential Trade Agreement (PTA) was signed. This would boost the bilateral trade between the two countries.

In an interview, given to a leading Indian Newspaper the President stated, "We believe that Chile can serve India as a bridge into Latin America, a bridge for Indian companies to develop business around the region. And we would also like India and Chile to cooperate even more closely on issues that affect global trade, such as non-tariff barrier and subsidies." The President also expressed that for Chile, India also stands as a cultural reference point.

## Textile quota comes to an end: developing countries to benefit

THERE is good news for Indian textile exporters; the textile quota regime is coming to an end. Curtains are going to fall on a decade old system of quotas, which shared out export access to rich markets of US, Europe and Canada. This system is now going to be changed.

This change could lead to combined export earnings to leap by over \$20 billion a year. According to a report by the United Nations Development Agency Unctad "Both developed and developing countries are going to gain substantially from the re-

moval of the tariff quotas. So we can say that the world's clothing and textile business will be transformed. There are going to be huge benefits for powerful developing country producers such as China India and for consumers worldwide.

## National status for Indian banks in Singapore

AS a part of the India Singapore comprehensive economic co-operation Agreement (CECA), Indian banks in Singapore would most likely get a national status in Singapore. This is a landmark step for the Indian banks in Singapore

as this is going to have a far reaching benefits to both sides. This step will allow Indian Banks a wider access in the Singapore market including the retail market, in the city.

Apart from this there are other dealings, which show

that both countries are coming closer. The Singapore Stock Exchange (SGX) is also exploring the possibility of establishing exchange linkages with the Stock Exchange, Mumbai (BSE).

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