

**POLICY UPDATE**

- High level intense negotiations are taking place in WTO leading to Hong Kong Ministerial Conference of WTO that would take place on December 13-18, 2005. G-20, a group of developing countries for agricultural negotiations on WTO has submitted its proposal on market access and domestic support. It has proposed that domestic support should be reduced by 80% and 75% by EU and US respectively. On market access, it has proposed that developed countries should reduce their tariffs by 54% while developing countries should reduce their tariffs by 36%.

On October 10, the US made a proposal for agricultural negotiations. The US has offered to cut its aggregate measure of support (AMS) by 60%, blue box domestic support by 50%, and de minimis by 50%, giving an overall cut of 53%. US has also agreed to eliminating export subsidies completely by 2010. Further, US has proposed that developed countries cut their tariffs by 55-90%.

- India and US have signed a Mutual Legal Assistance Treaty on October 3, 2005 at New Delhi. The Treaty will enhance the ability of the two countries to pursue their common objective of law enforcement of putting in place a legal mechanism to enable them to provide to each other assistance in connection with the investigation, prosecution, prevention and suppression of crime including those relating to terrorism, narcotics, trafficking, economic and organized crime. India is the 16th country to sign such a treaty with the United States. The other signatory nations include Britain, Canada, France, Switzerland and Russia. *More...*
- Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) Board have decided to make it mandatory for the telecom equipment suppliers bidding for the BSNL/MTNL tenders to manufacture equipments directly or through contract manufacturer in India so as to ensure the quality, timeliness of delivery, after sales service etc. They are envisaging the value addition of 30% in the second year onwards. The Department also proposes to request the private operators to follow this methodology. *More...*
- A high-level Western Australian delegation led by Premier of Western Australia, Dr. Geoff Gallop was on a visit to India. During his visit both the countries discussed about exploring the possibility of a Comprehensive Economic Cooperation Agreement (CECA) of which a Free Trade Agreement (FTA) would be a component. *More...* The two sides also discussed matters of mutual interest in the mining sector. With the liberalization of the Indian mining regime, India has received good response from the Australian mining companies. A number of Australian mining companies have been granted Reconnaissance Permits in various Indian States. *More...*
- Indian Prime Minister's taskforce on infrastructure has finalised the guidelines for the special purpose vehicle (SPV) to fund infrastructure projects. Finance Minister of India Mr. P Chidambaram in his last Budget Speech proposed to establish an SPV to finance infrastructure projects. As per the proposed guidelines, the finance ministry will soon constitute an inter-institutional group of banks and financial institutions to evaluate projects and disburse funds. The borrowings of the SPV made from the market will be guaranteed by the government. In the current fiscal, projects which might benefit from the SPV include rail freight corridors, airports in Mumbai and Delhi and PPP ports and roads built on build-operate-transfer (BOT) basis. The proposed guidelines are yet to be approved by the Cabinet. *More...*

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NEWS HIGHLIGHTS

General News

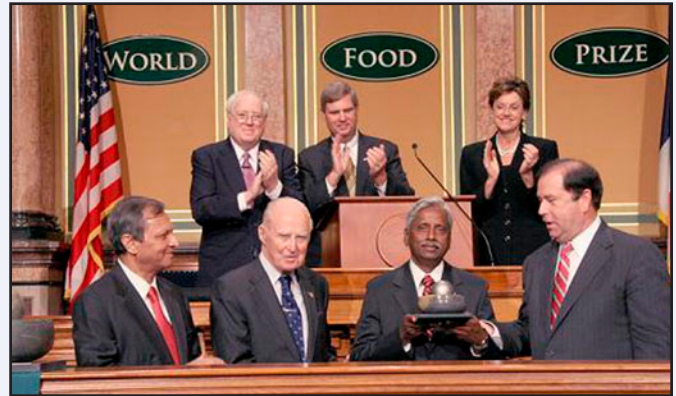
- Dr. Madadugu V. Gupta has been awarded the World Food Prize 2005 on October 13, 2005 at Des Moines, Iowa, for the exceptional achievement of enriching the diets and lives of more than a million of the world's most impoverished families for his pioneering work in promotion of freshwater aquaculture. In the award ceremony, Iowa Governor, Tom Vilsack read out the proclamation honoring Dr. Gupta with the 2005 award. Indian Ambassador Ronen Sen read out a message from the Prime Minister of India felicitating Dr. Gupta for his path breaking work and the distinction conferred on him.
- Low-cost PC based on an x86 1600 MHz processor has been unveiled in India. Advanced Micro Devices Inc.(AMD) in association with HCL, the leading Indian computer manufacturer, announced the availability of India's most affordable home computer for its value, by offering a ready-to-use PC for US \$227 approx. [More...](#)
- Gold jewellery exports from India may touch US \$5 billion during the current financial year 2005-06. Exports of gold jewellery have doubled from a level of US \$1.9 billion in 2003-04 to a record level of US \$3.8 billion during 2004-05. [More...](#)
- Engineering Export Promotion Council (EEPC) has opened up India Engineering Center (IEC) in US. [More...](#)
- Boeing has announced that it will build India's first civilian pilot training center. [More...](#)

Corporate News

- India-based Tata Tea Ltd, through its US subsidiary Tetley US Holdings Ltd, has signed an agreement to acquire US-based FMALI Herb Inc and Good Earth Corporation. [More...](#)
- Samsung Electronics Company has announced that it would soon establish a mobile handset production unit in India in order to tap into the country's handset market which held high growth potential. [More...](#)
- ONGC and Netherlands-based Mittal Steel Company have signed two agreements formally launching the joint ventures - ONGC Mittal Energy Ltd (OMEL) and ONGC Mittal Energy Services Ltd (OMESL). [More...](#)
- Jubilant Organosys Ltd of India has picked up 100% stake in Target Research Associates Inc. a clinical research organization (CRO) of USA, in a \$33.5 million cash deal. [More...](#)
- Software giants Infosys Technologies and WIPRO along with ICICI Bank are the three Indian companies that figure in the list of 50 fabulous Asian firms compiled by Forbes magazine. Infosys Technologies has a market cap of \$14.7 billion and sales of \$1.6 billion. The corresponding figures for WIPRO are \$11.7 billion and \$1.9 billion dollars and for ICICI Bank are \$8.1 billion and \$3.9 billion. [More...](#)
- British Petroleum, Europe's largest oil company would be investing \$445 million on an oil refining venture with Hindustan Petroleum Corp. in northern India in oil refinery and oil retailing. Bloomberg News, Friday, October 14, 2005

Visits and Events

- Citigroup CEO Charles O. Prince visited India. He had a series of meetings including with the Prime Minister Dr. Manmohan Singh and Finance Minister Mr. P Chidambaram.
- Indian Minister of Science and Technology, Mr. Kapil Sibal is scheduled to reach USA on October 15. During his visit, on October 17, 2005, India and the US would sign an agreement on science and technology aimed at accelerating cooperation between scientists from both the countries in areas like space, energy, IT and nanotechnology.
- Mr. T.R. Baalu, Indian Minister of Road Transportation, Highways, and Shipping; and Mr. Praful Patel, Minister of Civil Aviation are scheduled to visit USA to attend a Round Table Conference on "India's Infrastructure: Challenges and Opportunities" being organised jointly by US Indian Business Council and Federation of Indian Chamber of Commerce & Industries on October 25, 2005.
- A Seven Day "Festival of Gold 2005", India's largest exhibition-cum-sale event of genuine certified products in Gold, Silver Platinum, coloured and white Gold started on 9th October, 2005 at New Delhi. The Festival is the 7th in the series being organised by MMTC Limited. [More...](#)



World Food Prize Ceremony, Iowa, October 13, 2005. Seen in the photograph are (Top left to right): World Food Prize President Amb. Kenneth Quinn, Iowa Governor Thomas Vilsack, and Lt. Governor of Iowa Sally Pederson. (Below left to right): Indian Ambassador Ronen Sen, Founder World Food Prize Nobel laureate Dr. Norman Borlaug, Laureate Dr. Madadugu V. Gupta, and World Food Prize sponsor John Ruan.