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Secretary of State Rice Visits India

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'The industry, the market, the corporate sector, all are happy. They think the Budget is pro-growth'

Finance Minister P. Chidambaram unveiled a \$116 billion Union Budget for 2005-06 on February 28 that gives a big push to economic reforms and rationalises the tax system, while promising a fresh "assault" on poverty and unemployment. Laying the foundation for his proposals in a 90-minute speech in Lok Sabha, the lower house of Parliament, the Finance Minister said the Indian economy – the fourth largest in the world in purchasing power parity – was expected to expand by 6.9 percent in the current fiscal, and by seven-

eight percent in 2005-06. Excerpts from an interview the Finance Minister gave to BBC World's India Business Review program soon after presenting the Budget.



P. Chidambaram

'The way I look at it is that I addressed the immediate livelihood and other concerns of the very poor people of India. I have ensured that the engines of growth will keep humming and moving along. I believe we have done both.'

local bodies, so what is the Central government going to do to ensure that the outlay results in outcome?

A: I have made a specific mention about this in my speech. Between the Planning Commission and the Ministry of Finance we will put in place a mechanism that will measure the development outcomes of major programmes... We will try to get some external auditors to measure these outcomes. I am very clear that the financial outlays have to be converted into physical outcomes.

Q: To move on to disinvestments. You have said that there is a corpus fund, and you have mentioned that Rs. 5,000

crore (\$1.1 billion) will be generated in the next one year and Rs. 50,000 crore (\$11.1 billion) in the next five years, but there really isn't a target that you have set for yourself?

A: There is no need for a target... This fund has been set up. We have a list of companies that will be approved by a Cabinet committee. Once the cabinet committee clears disinvestments in these companies up to 10 to 15 percent, they will be disinvest-ed and the money will go to the fund. There is no artificial pressure to raise the money by the 31 of March every year. I just have to raise it over a period of time. So this gives us much greater flexibility. Also, the lead managers of the issue will have the flexibility to give us the best price. Once the money goes into the fund then we will be able to invest the fund in public sector mutual funds and earn a return on it. Once the return is deployed into public sector spending... people will see merit in this corpus fund and then the process will gather pace. But first I must gather some funds.

Q: Let us talk about foreign direct investment. You made a clear benchmark with China, but their labour laws are different, but if you did not have the political compulsions that you have, what would be the big steps that you would take to attract FDI?

A: I accept the context and the time. I can never even imagine a time without political constraints. We are not a majority party and I am hardly the head of the party. So I have to take into account various factors all the time. But as far as the current year is concerned, we already did consultation. I think we need to convince our partners, as we had done in banking and insurance. These are virgin territories that have opened up.

Q: The investment in infrastructure is a concern. What do you see in the coming years in this sector?

A: Government funds are being used largely for revenue expenditure. The bulk of the infrastructure needs to be built by public or private partnership. The SPV will give this a big boost. Rs. 10,000 crore or \$2 billion is the amount the SPV will raise. With this, huge amount of investment will flow. We will look for projects. We are open to large-scale participation.

Q: For real growth to happen in the country we need to improve the quality of jobs in the country. That is a different kind of challenge than what exists today. What is your view on that?

A: For young men and women with low qualifications we need low skill jobs. This will give them a decent income. I also agree with you that we require highly skilled people to be highly competitive. So we have announced a skill development initiative. We are going to make sure that industry gets the people with the right skills. We are going to do both. We have to give it a bigger push this year. ■

Bush Administration unveils contours of a 'broader strategic relationship' with India

The United States on March 25 outlined what it described as “a decisively broader strategic relationship” with India, the goal of which is to see the country “become a major world power in the 21st century”.

Briefing journalists at the State Department, senior Administration officials said Secretary of State Condoleezza Rice had outlined the contours of the new strategy — which will be much broader in scope than the Next Steps in Strategic Partnership (NSSP) announced in 2004 — during her meeting with Prime Minister Manmohan Singh in New Delhi on March 16.

The officials said President Bush had himself spoken to Prime Minister Singh on March 25 on “this larger strategic context, some of these initiatives to broaden our strategic cooperation, and he explained his thinking on the decisions that we’re talking about today”.

Recalling that the first Bush Administration “did a lot to spotlight the significance of the relationship to India”, the senior officials said that it was felt that the NSSP, “though very important, wasn’t broad enough to really encompass the kind of things we needed to do to take this relationship where it needed to go, and so the President and the Secretary developed the outline for a decisively broader strategic relationship”.

This relationship, the officials said, would aim to consolidate dialogue between the two nations on three tracks: strategic, economic and energy. And the dialogue on these three key elements is expected to receive a fillip during meetings between Prime Minister Singh and President Bush.

The President has invited the Prime Minister to visit the United States in July and is himself expected to travel to India “later this year or early next year”.

Elaborating on the proposed dialogue, the officials said: “The strategic dialogue will include global issues, the kinds of issues you would discuss with a world power. Regional security issues, things like the tsunami situation or Nepal.

And India’s defensive requirements, high-tech cooperation, expanding the current High Technology Cooperation Group and manufacturing licenses, even working towards U.S.-India defense co-production”.

Noting that the U.S. has responded positively to the Indian request for information on next generation multi-role combat aircraft, the officials said that these need not be limited to “just F-16s. It could be F-18s”. Under the strategic dialogue, the U.S. is also ready to discuss the “even more fundamental issues of defense transformation with India, including transformative systems in areas such as command and control, early warning and missile defense”, the officials said.

The energy dialogue, the officials said, would “include civil nuclear and nuclear safety issues.”

And it would “keep building the Next Steps in Strategic Partnership process, that’s already underway and establish a Working Group on Space. India is very much a player in the issue of space launch vehicles, satellites and so on”.

Noting that the Economic Dialogue between the two nations “needs a little more juice”, the officials said it would be “revitalized with the discussion of energy, trade, commerce, environment and finance”.

They added that the President’s economic advisor Al Hubbard, Treasury Secretary John W. Snow and Transportation Secretary Norman Mineta would be visiting India later this year to carry the dialogue forward.

Spotlighting the “significance of India”, the officials recalled that in November 2002, the U.S. and India launched a Global Issues Forum and established a High Technology Cooperation Group. In January of 2004, President Bush and then Prime Minister Vajpayee

announced the Next Steps in Strategic Partnership initiative. In September of last year, the U.S. and India completed phase one of the Next Steps process.



Prime Minister
Manmohan Singh



President
George W. Bush

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Secretary Rice on maiden visit to India



Prime Minister Manmohan Singh, left, with U.S. Secretary of State Condoleezza Rice during their meeting at the Prime Minister's Office in New Delhi on March 16. (Photo: Press Information Bureau)

India and the United States pledged to develop an "extraordinary relationship in the next several decades" during Dr. Condoleezza Rice's visit to New Delhi on March 16, her first to Asia since taking over as U.S. Secretary of State in January.

Secretary Rice, who spent about 18 hours in the Indian capital in the course of a whistle-stop six-nation Asia tour, met with Prime Minister Manmohan Singh, Congress Party President Sonia Gandhi, who is also Chairperson of the ruling United Progressive Alliance (UPA), and Leader of the Opposition L.K. Advani. She also held talks — both one-on-one as well as delegation-level — with External Affairs Minister Natwar Singh.

"Given the complementarities and shared values, this could be an extraordinary relationship between our two countries in the next several decades," officials quoted Rice as having told Manmohan Singh. They said she also expressed to the Prime Minister

Washington's "keen interest" in emerging as a reliable partner and a source for India's military hardware and technology.

The two sides differed over their approach to Iran, with Secretary Rice expressing her country's "concern" over India's move to source natural gas from Iran through a proposed \$5 billion pipeline that would run through Pakistan.

The differences were evident during a joint press conference by Rice and Natwar Singh after their talks that covered a wide range of issues, from Iran to India-Pakistan relations and bilateral defence and energy cooperation.

The differences over Iran and Indian reservations on the sale of F-16 fighter jets to Pakistan, did not mar the visibly warm atmosphere during Secretary Rice's visit.

It was clear from her interaction with officials and the political leadership in New Delhi, as well as the positive comments by both sides, that India and the

"The president wanted me to first come to India early in my tenure as Secretary of State and early in his second term because this relationship has transformed in recent years from one that has great potential into one that is now realising that potential."

U.S. have moved a long way forward in transforming their relationship.

“The President wanted me to first come to India early in my tenure as Secretary of State and early in his second term because this relationship has transformed in recent years from one that has great potential into one that is now realizing that potential,” said Rice in her opening statement at the press conference.

Natwar Singh, a veteran diplomat who earlier worked with Prime Minister Indira Gandhi as a key diplomatic aide, and as Minister in Prime Minister Rajiv Gandhi’s Government, was no less effusive in his praise of the U.S. — and Rice in particular.

Calling Rice “a friend of India”, who fashioned the U.S. policy of strategic partnership with India, he said: “We look at this relationship, not only for what it offers today, but at its enormous potential to shape our global future to our mutual advantage.”

But he made it clear that while New Delhi took note of U.S. concerns about Iran, ensuring energy security is of paramount importance for the rapidly growing Indian economy. He also said: “We have traditional good relations with Iran. We expect Iran will fulfill all its obligations with regard to NPT (Nuclear Non-Proliferation Treaty).”



Secretary Rice and External Affairs Minister K. Natwar Singh, right, addressing a joint press conference in New Delhi on March 16. (Photo: Press Information Bureau)

Secretary Rice, on her part, acknowledged India’s energy requirements and offered a broad energy dialogue with India to address the issue. Saying that the U.S. is aware that “we do need to look at the broader question — how India meets its energy needs in the next decades and what is a rapidly growing economy that must continue to grow... and that is something, that is a goal we very much support.” She referred to the new technology available in the U.S. in the energy sector and offered to initiate a broad dialogue with New Delhi in this regard.

Both said the growing defence cooperation between the two countries, including the possible sale of multi-role combat aircraft figured in the talks, but neither would go into the details.

Minister Singh said: “We did express certain concerns about certain matters on the defence issue as to how it might lead to some complications, but we believe there are no serious differences of opinion. There are one or two items on which we don’t agree. Our relations have now reached maturity that we can discuss these things freely and frankly. Our views on the sale of F-16s are well known.”



Congress Party President and United Progressive Alliance Chairperson Sonia Gandhi, right, with Secretary Rice, at her residence in New Delhi on March 16. (Photo: AFP)

SEN. HILLARY CLINTON IN INDIA

‘TCS partnered with University of Buffalo on patented research. I would like to see more of such partnerships’

Senator Hillary Rodham Clinton, Democratic Co-Chair of the India Caucus in the U.S. Senate, paid a three-day visit to India. In New Delhi to attend a conclave organized by the leading magazine *India Today*, Senator Clinton met with Prime Minister Manmohan Singh on February 25. “It was a nice meeting and both enjoyed it,” said an aide to the Prime Minister. “They discussed healthcare, education, India-U.S. relations and South Asia. It was a wide-ranging discussion.”

Prime Minister Manmohan Singh told the former First Lady that the Indian people fondly remembered the Presidential visit by her husband Bill Clinton in March 2000, the aide said. Senator Clinton said her husband “greatly enjoyed” visiting India and was deeply committed to the HIV/AIDS programme the Clinton Foundation had undertaken in the country.

The New York Senator had a one-on-one meeting with Congress President Sonia Gandhi at the latter’s 10 Janpath residence. “Both assessed the growth of India-U.S. ties from (President) Clinton’s time and how far it had progressed. They have also reviewed the socio-economic situation prevailing in the country,” an aide said.



Prime Minister Manmohan Singh, right, with U.S. Senator Hillary Rodham Clinton (D-NY), at his residence in New Delhi on February 25. (Photo: Courtesy, pmofindia.nic.in)

On February 26, addressing the *India Today* Conclave 2005, the Senator urged Indian Industry to invest more in her country. Though U.S. understood that economic vibrancy of India was in its own interest, there are people who feel left behind and might stir up “negative feelings” against India because they do not understand the economic benefits of outsourcing, Clinton remarked.

“In June 2002, Tata Consultancy Services (TCS) partnered with University of Buffalo to bring patented research in the market place. I would like to see more of such partnerships,” Clinton said.

Senator Clinton allayed apprehensions in India that there would be a bar on outsourcing. “There is no way to legislate against reality. Outsourcing will continue,” she said.

She pointed out that there were three billion people, who feel left behind and are trying to attack the modern world in the hope of turning the clock back on globalization. “It is not far-fetched to imagine... if the Indian miracle would be one of the choices of those who feel left behind.”



External Affairs Minister K. Natwar Singh, left, with Sen. Clinton at his office in New Delhi on February 26. (Photo: Press Information Bureau)

'Big ticket investments' sought in infrastructure sector

Commerce and Industry Minister Kamal Nath on March 28 urged investors to take advantage of India's huge infrastructure development requirements, estimated at over \$150 billion over the next five years.

"I would urge the investing community to take full advantage of the facility that covers roads, seaports, airports, power, water supply, sewerage, solid waste management and international convention centres," he said.

"Given their resource requirement, it is not possible to fund them fully from the government's budgetary resources," Kamal Nath said while inaugurating a two-day 'India Infrastructure Summit' in New Delhi.

Addressing the summit, U.S. Ambassador to India David C. Mulford called for a financial entity with a large capital base to extend support to private players in large-scale infrastructure projects requiring long-term capital financing. Such an entity should be owned and operated by the private sector, with minority government holding, but significant funds from multilateral agencies to ensure minimum standards of project compliance, transparency and legal follow-through.

Mulford also underlined the need for political consensus on creating a "culture of consistency" for infrastructure projects, adding that preparatory work must be thorough, procedures disciplined and awards faithfully honoured by successors. "When disputes or failures to perform arise, there must be timely and decisive arbitration and court action to enforce rights and obligations," he added.

Kamal Nath noted that the government had introduced the facility of "viability gap funding" to facilitate public-private partnership initiatives in infrastructure sectors.

"Viability gap funding can be in various forms, and a mix of capital and revenue support is possible," he said.

The minister urged participants, including leading industrialists, banks and Indian as well as international lending agencies, to look at the crucial issue of attracting "big-ticket investments" into the infrastructure sector.

Kamal Nath called for innovative instruments and mech-



Minister for Commerce and Industry Kamal Nath, center, being welcomed at the inauguration of the 'India Infrastructure Summit 2005,' organised jointly by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry and the Federation of Indian Chambers of Commerce and Industry, in New Delhi on March 28.

(Photo: Press Information Bureau)

anisms to tap resources, and said while the government would promote investment, the industry should also rise to the occasion and enter into collaborations to implement such projects. He emphasised the importance of infrastructure for economic development and noted that advanced economies of the West, including the U.S. and Europe, besides Japan, had all developed their infrastructure first.

Closer home, the Southeast Asian countries and China had also done the same. India's institutional strengths and many other factors have positioned it today as "the world's fastest-growing free market democracy with bright future".

However, if India has to sustain the rosy picture, more attention needs to be paid to infrastructure.

"Inadequacies in physical infrastructure can severely constrain economic growth and, in fact, take us backwards. Infrastructure is both a driver as well as a magnet for investment," the minister said.

The summit has organised by the Department of Industrial Policy and Promotion, the Ministry of Commerce and Industry and the Federation of Indian Chambers of Commerce and Industry. ■

Infosys receives AS/EN 9100 certification in aerospace systems

Leading consulting and IT services provider Infosys Technologies on March 30 received the AS/EN 9100 certification for its work in designing and developing complex aero structures and engine components.

With the certification, Infosys joins a select band of global engineering and IT services companies that are AS/EN 9100 certified.

The company is involved in the area of engineering, design, development and validation of software for aerospace systems.

"We are developing mission-critical systems for our

clients in the aerospace segment. Given the complexity of the systems... it is important to be a low-risk and high value-add partner for our clients," Infosys chief operating officer Kris Gopalakrishnan said.

The AS/EN 9100 certificate emphasises on areas that have the greatest impact on safety, air-worthiness and reliability for aerospace products.

"The certification assures our clients of our ability to manage the right process infrastructure and helps them achieve quantum improvements in all aspects of the aerospace project lifecycle," he said in a statement. ■

G-20 calls for end to all export subsidies in five years

The Group of 20 (G-20) developing countries ended a two-day meeting hosted by India in New Delhi on March 19 with a joint declaration that asked rich nations to end all forms of export subsidies in five years.

In a rare show of unity in a group with diverse interests and positions among the members, the declaration also called on developed countries to substantially reduce trade-distorting domestic support, but did not specify a time frame.

The two-day meeting focussed on issues related to agriculture in the ongoing negotiations at the World Trade

Developed Countries (LDC), the Africa, Caribbean and Pacific Group (ACP) and the Caribbean Group (Caricom).

The main purpose of the two-day deliberations was to ensure that the interests and concerns of G-20 member countries are addressed in the final outcome of the WTO Ministerial Meeting in Hong Kong in December.

The agenda for the G-20 meeting included discussions on the three pillars of the ongoing farm talks — export competition, domestic support and market access — as also other issues such as the interests of least developed countries.

The participating countries were Argentina, Brazil, Bolivia, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, the Philippines, South Africa, Tanzania, Thailand, Venezuela and Zimbabwe.

The declaration signed by the participating countries articulates a common strategy and position, and reaffirms the commitment to make progress in the Doha Development Round and arrive at an agreement as scheduled. On the crucial issue of market access, the ministers reaffirmed the long held view of the G-20 that the tariff reduction formulae is the main component and should be negotiated before the issue of flexibilities. The tariff-reduction formulae, the declaration said, must be progressive, ensure proportionality for developing countries and allow flexibility by taking into account the sensitive nature of some products. Ministers also stressed that special and differential treatment for developing countries must constitute an integral part

of all elements with a view to preserving food security, rural development and livelihood concerns.

They also stressed that the elimination of tariff escalation is important for developing countries, as it would help them to diversify and increase their export revenues by adding value to their produce. But they expressed concern that developed

countries were increasingly using non-tariff barriers that are acting as impediments to exports and detrimental to the interests of developing countries.

The trade ministers and delegates were also treated to a cultural programme and gala dinner on March 18 at the picturesque settings of a ruined medieval fort. They also had a meeting with Prime Minister Manmohan Singh earlier in the day. ■

(For full text of the joint declaration, visit: www.pib.nic.in/release/release.asp?relid=797&kwd=G%2D20)



The Union Minister for Commerce and Industry Kamal Nath, in white at centre, with the commerce ministers of the Group of 20 (G-20) nations, at the inaugural session of the G-20 Ministerial Meeting in New Delhi on March 18.

(Photo: Press Information Bureau)

Organisation (WTO), but areas like services, non-agriculture market access and trade facilitation were also discussed.

“We had a very productive meeting. We have not only shown that G-20 is alive and kicking, but doing that in a forceful manner,” Brazilian Trade Minister Celso Amorim said at a joint press conference addressed by all delegates.

“It is essential that G-20 gets permanently mobilised,” he said. “We have shown for the first time that trade liberalisation and social concerns can go together,” he added, in reference to parallel discussions with NGOs.

“The gathering here signals a coming together in the common cause of almost the entire developing world,” said the event's host, Commerce Minister Kamal Nath. “We had a composite assessment of play in the ongoing trade talks.”

The two-day meeting also had the participation of other groups like Least

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Lok Sabha passes 3rd Patents (Amendments) Bill 2005

The Lok Sabha, the lower house of Parliament, on March 22 passed the third Patents (Amendments) Bill 2005, with the ruling United Progressive Alliance (UPA) receiving the support of its Left allies. With the passage of the bill, India has fulfilled its obligation to usher in a new product patents regime under the Trade Related Intellectual Property Rights agreement of the World Trade Organisation (WTO).

The bill provides for product patents in drugs, agricultural products and embedded software.

The bill was passed after Commerce Minister Kamal Nath assured the house that adequate safeguards had been built into the legislation to ensure that the interests of the Indian pharmaceutical industry are protected and the prices of drugs do not shoot up. Ten amendments suggested by the Left parties have been incorporated into the bill, while two others have been referred to an expert committee.

Replying to the five-hour debate over the bill, Kamal Nath said the bill — which replaces an ordinance promulgated on December 23, 2004, to meet the January 1, 2005, WTO deadline — would be further amended if the expert committee felt greater flexibility or safeguards were required on concerns

relating to new chemical entities and micro-organisms — the two issues that have been referred to the expert committee.

Earlier, initiating the discussion in the Lok Sabha, Kamal Nath had reiterated the government was only fulfilling an international commitment that had been made on the issue.

Among the amendments included in the bill are those relating to areas like definition of inventiveness, new inventions, compulsory licensing, royalty and the raising of objections before the grant of a patent instead of afterwards.

Kamal Nath said that as far as compulsory licensing was concerned, there was now a provision in the bill to revoke a patent in the public interest. Similarly, he said, fresh patents would not be allowed if new properties are discovered for existing drugs.



Commerce Minister Kamal Nath

India unveils new rules for foreign equity in construction sector

In a bid to attract overseas capital in areas ranging from hotel resorts to integrated townships, the Indian government on March 4 issued fresh guidelines for 100 percent foreign equity in the construction industry.

Approval of applications for construction projects have now been placed under the automatic route instead of having to get them processed by the Foreign Investment Promotion Board or other government agencies.

The fresh guidelines also seek to forestall speculation in the country's booming real estate sector by foreign investors by prohibiting the sale of undeveloped land, but significantly ease the minimum area requirement.

The Commerce Ministry's fresh rules fix the minimum area to be developed under each project at 10

hectares for serviced housing plots and 50,000 square metres for construction-related development projects.

The earlier guidelines specified the minimum area for devel-

opment at 100 acres with at least 2,000 dwelling units.

The foreign investor is also required to bring in within six months from the date of commencement of business a minimum capital of \$10 million for wholly-owned subsidiaries and \$5 million for joint ventures with Indian partners.

Foreign investment in construction will not displace or replace the local industry, but rather help it grow at a rapid pace and generate greater economic activity, said Commerce Minister Kamal Nath. "We want incremental investment in the construction sector so that it triggers employment generation, greater economic activity, an increase in built-up infrastructure and spin-off benefits for manufacturing," he added.

The new rules specify that the original investment cannot be repatriated before a period of three years from the completion of minimum capitalisation, but the investor may be permitted to exit earlier with prior approval of the government.

At least 50 percent of the project must be developed within a period of five years from the date of obtaining all statutory clearances and the investor cannot sell undeveloped plots, the guidelines said.

The project shall also conform to the norms and standards, including land use requirements and provision of community amenities, as prescribed under building control regulations and bylaws of various states and local bodies.

The need for a review of the rules was felt as only nine foreign equity applications had been received for integrated townships and stakeholders had said the 100-acre minimum area requirement was a bottleneck in attracting investments. ■

Approval of applications for construction projects have now been placed under the automatic route instead of having to get them processed by the Foreign Investment Promotion Board or other government agencies.

Plan to improve 4,000 kms of highways cleared

In a Nutshell

Exports surge to \$70 bn

INDIA'S MERCHANDISE exports surged 27 percent in the first 11 months of the current fiscal to touch \$70 billion, well on its way to a new milestone in external trade, the latest figures reveal. In February alone, exports were valued at \$6.7 billion, pointing to the growing competitiveness of Indian industry and the export-led growth strategy of the government.

India is expected to achieve \$75 billion in merchandise exports during the current fiscal, and top \$100 billion after taking into account exports by the services sector.

Tele-density touches 9%

INDIA'S TELE-DENSITY touched 9 percent in February, with 2.11 million subscribers added during the month, taking the total number of telephone users to 97.03 million.

Mobile telephones continued to grow rapidly with the subscriber base swelling to 51.44 million subscribers, compared to 45.59 million landline users, said a statement issued by the Telecom Regulatory Authority of India.

Top real estate choices

THE INDIAN cities of Mumbai, Bangalore and New Delhi have emerged as the top three choices of investors for real estate investment in 2005 in Asia, according to the industry consultancy firm Jones Lang LaSalle.

According to LaSalle's annual investor sentiment survey, investment interest in the region would continue to be robust this year with more confidence towards the retail and office property markets across the region.

The Union government on March 5 cleared an ambitious plan for widening and upgrading 4,000 kms more of national highways at a cost of around Rs. 200 billion (\$4.5 billion) — and a special package for roads in the Northeast.

This takes the total projects being executed to improve the country's national highways to 18,000 kms, officials said after a meeting of the Cabinet Committee on Economic Affairs chaired by Prime Minister Manmohan Singh.

The cabinet also approved a Special Accelerated Road Development Programme in the Northeast region under which 6,396 kms of roads will be developed with an investment of Rs. 105 billion (\$2.4 billion) in two phases.

The latest National Highways Development Project (NHDP) is part of a 10,000-km upgrade to be covered under the third phase of the highways project, a senior official of the Ministry of Shipping, Road Transport and Highways said.

The third phase is to be completed in two segments and is estimated to involve an expenditure of around Rs. 550 billion (\$12.3 billion). Approval for another 6,000 kms

under the second segment has also been given in principle, the official said

Under the third phase of the project, national highways will be expanded into four lanes and safety features such as road overbridges in place of railway level crossings, grade separators and crash barriers would be incorporated.

"The project would be undertaken on build-operate-transfer basis," the official said. The government is expected to provide a maximum of 40 percent subsidy for the project, while the rest is to be raised through private investment.

Altogether, India has put in motion projects for upgrading a total of 18,000 kms, including the ongoing Golden Quadrilateral Project under phase one and the north-south and east-west corridors under the second phase.

The government hopes to complete 92 percent of the work on the 5,846-kilometre Golden Quadrilateral — to link New Delhi, Mumbai, Chennai and Kolkata with an upgraded and widened four- and six-lane highway — by the year-end, one year behind schedule.

As on January 31 this year, about 4,480 km had been completed. ■

L.N. Mittal is world's third-richest man: *Forbes*

India-born steel magnate Lakshmi N. Mittal has become the third-richest person in the world after Microsoft's Bill Gates and investor Warren Buffet, according to *Forbes* magazine.

A total of 12 Indians have been featured in *Forbes*' 'World's Richest People 2005' list, including Azim Premji of Wipro, Mukesh and Anil Ambani of Reliance Industries, and Naresh Goyal of domestic aviation major Jet Airways.

"In raw dollars, no one had a better year than Lakshmi Mittal," said the magazine about the London-based, Rajasthan-born steel baron. Mittal, 54, added \$18.8 billion to his net worth to take it to \$25 billion, climbing 59 steps from last year to be slotted No. 3 on the coveted list.

According to *Forbes*, soaring world prices for steel and acquisition of mills across the globe, especially in Eastern Europe, helped Mittal emerge as the third-richest person in the world.

Last year Mittal saw his steel businesses' profit triple to \$4.7 billion on sales of \$22.2 billion.

Recently, Mittal has consolidated his various private steel holdings into public companies. Mittal Steel's shares are listed on the New York and Amsterdam stock exchanges.

Born into a steel making family, Mittal struck out on his own in 1976. He is today the world's second-largest steel maker behind Luxembourg-based Arcelor. ■



L.N. Mittal

India's economic growth drives U.S. media interest

A team of American editors, who travelled to India as fellows of the Johns Hopkins University International Reporting Project, have put anxieties about economic reforms behind and have been awakened to the huge economic potential of India.

After a presentation on India and its economic strengths by the Federation of Indian Chambers of Commerce and Industry (Ficci) in New Delhi on March 9, Lonnie Isabel, deputy managing editor, *Newsday*, said he was quite impressed by the record of the Indian economy.

"There is a growing interest in India. The coverage about India is increasing in U.S. newspapers and magazines, which are taking a keen interest in the course of reforms in India," Isabel said.

The presentation, made by Ficci secretary general Amit Mitra, touched upon 'facts about India were not known to them (the American editors).' He highlighted, for instance, that India will remain a young nation with the median age rising from 21 in 2000 to 26 in 2025. He also pointed out that the decline in poverty levels had accelerated in the 1990s, while the highest income household group was in the fastest-growing segment from 2000-2006. Apart from dwelling on India's well-known strengths in the information

"There is a growing interest in India. The coverage about India is increasing in U.S. newspapers and magazines, which are taking a keen interest in the course of reforms in India," said Lonnie Isabel, deputy managing editor of *Newsday*.

technology sector, Mitra also drew attention to the fact that more than 100 global companies outsource research and development facilities from India.

Micky Hirten of the *Lansing State Journal* and Paul Tooher of *The Providence Journal* in Rhode Island sounded appreciative of the Ficci presentation, which predicted GDP growth to be around 7.5 percent in the next fiscal year. "The future of India certainly looks bright," said Hirten.

Said Mitra: "Most of the questions were about reforms. For the American media team, the huge economic potential of India has been an awakening of sorts."

In the interaction with members of Parliament, Andrew Ross, national editor of *San Francisco Chronicle*, however, alluded to the popular interpretation of the mandate of the

2004 elections that many in the West saw as a rejection of economic reforms. "Why did the NDA (National Democratic Alliance) lose the elections? Was it a verdict on economic reforms?" he asked. Replying to Ross, Manvendra Singh, a Bharatiya Janata Party (BJP) MP said: "It wasn't a vote against reforms. It was more a question of managing coalitions and forging right alliances in states."

The editors, who also had a meeting with Prime Minister Manmohan Singh, travelled to several Indian cities during their stay in the country. ■

Perot Systems to expand India ops

Perot Systems Corporation, the U.S.-based global technology solutions provider, plans to expand operations in India, the company's chairman has said. The expansion plans for leveraging the local talent pool were discussed at a board meeting, held for the first time in India — a first of its kind by a major U.S. multinational IT firm.

"Though we are currently located in Bangalore, Chennai and Noida (near Delhi), we are looking at expanding our presence in two more cities in the next 12-18 months," Perot chairman Ross Perot Jr. said after the meeting. ■

Mphasis acquires U.S.-based BPO

The Mphasis BFL Group, one of India's leading mid-size IT services firms, said it had acquired a U.S.-based business process outsourcing (BPO) company for \$16.5 million to expand its presence overseas.

The all-cash transaction to acquire Eldorado Computing Inc., a profitable entity with revenues of over \$10 million, was to be completed in the quarter ending March 31.

Eldorado Computing specialises in back-office claims processing and management solutions for the health insurance industry. ■

\$4.5 billion investment expected in retail trade by 2010

Investments in India's fast-growing organised retail trade is likely to expand rapidly in the years ahead to touch Rs.200 billion (\$4.5 billion) by 2010 as overseas as well as local firms explore business opportunities.

The size of the organised retail segment is also likely to grow at the rate of 25 percent to 30 percent per annum and is estimated to breach a staggering Rs.1 trillion by 2010, said a study conducted jointly

by Images and KSA Technopak. According to the report, Indian consumers are rapidly evolving and accepting modern retail formats in metros as well as in second tier cities.

Indian corporate groups like Tata, Reliance, ITC, Bombay Dyeing and Piramal Groups, foreign investors and private equity players are firming up plans to identify investment opportunities in the retail sector, it added. ■

Media Watch

It's time for U.S. and India to go steady

■ By STANLEY A. WEISS

Today, Indian-U.S. relations have matured from that of estranged democracies to engaged partners, and officials in both countries speak breathlessly of being “natural allies” ... How can Washington and New Delhi realize their dreams of a meaningful long-term relationship? ...

First, both sides must dump their emotional baggage. ... At the same time, Washington can be more sensitive to India's legitimate security and economic concerns. ... Likewise, the United States should resist knee-jerk reactions when Indian seemingly acts against American interests. The \$40 billion natural gas deal recently signed by India, a leading gas importer, and Iran, a top gas exporter, makes perfect sense. Washington should welcome, not fear, plans for an Iranian-Indian pipeline across Pakistan, which would give Tehran and Islamabad economic incentives to behave themselves.

With other suitors vying for New Delhi's affections, Washington can no longer take India for granted. Russia has advocated a “strategic triangle” aligning New Delhi, Moscow and Beijing as a counterweight to the United States. ...

It's time for Washington to respect India as the mature,

responsible global power it is. Within three decades, India is projected to have the world's third-largest economy and more people than China. ...

President George W. Bush has pledged a strategic partnership with India and should take the plunge, starting with a trip to New Delhi bearing the dowry that would win Indian hearts — American support for an Indian seat on an expanded U.N. Security Council. Bush should also breathe new life into bilateral trade, which last year was a mere \$21 billion. ...

Building on the recent easing of U.S. export controls on technology for India's space and civilian nuclear programs, Washington and New Delhi should move ahead with cooperation in high-tech trade and missile defense. ...

For its part, India must finish what it started in 1991 — letting go of socialist economic policies that stifle innovation and scare off foreign investment. ...

With the right direction and some clever choreography, the actors in the elaborate Indian-American drama can fulfill [Prime Minister Manmohan] Singh's wish that, “the best is yet to come.”

(Excerpts of an article from the International Herald Tribune dated March 8)

(For the full article, visit: <http://www.ihf.com>)

America's New Beginning with India

■ By THOMAS PICKERING and JOSEPH RALSTON

America's relationship with India is at a crossroads, as U.S. Secretary of State Condoleezza Rice arrives in New Delhi today. This represents a strategic opportunity for both countries. The U.S. and India should have the confidence and capability to take full advantage of this moment to move forward with a robust package of new strategic, political, economic and business ties.

On our visit to India last month as co-leaders of a U.S.-India Business Council group of American defense-industry officials, we witnessed what can only be described as a sea change in Indian attitudes toward cooperation with the U.S. There is broad recognition emerging throughout all levels of Indian government and the business community of the distance that the U.S.-Indian relationship has traveled. The close cooperation on relief operations that occurred in January between New Delhi and Washington following the disastrous tsunami in Asia would not have been possible just a year ago. U.S. and Indian military forces train together in India and operate jointly in the South Asian region, Washington and New Delhi share sensitive intelligence on mutual threats both countries face in dealing with global and local terrorism.

Some Indian government officials with whom we met emphasized a new willingness and desire to move forward in the strategic relationship with the U.S. ...

India... holds foreign currency reserves of more than \$ 130 billion. It wants to spend a significant portion of this money and its regular defense budget on upgrading its older, outdated Soviet-era military equipment. India recently made a request for information to support the possible purchase of American fighter aircraft like the F-16 and F-18. If this request goes unapproved by the U.S. ... licensing process, the Indians will likely buy French or Russian aircraft instead.

In addition to Ms. Rice's current visit to India, a number of high-profile Indian government leaders are expected in Washington this year. These visits will offer ample opportunities for U.S. administration officials and... lawmakers to take full measure of the new Indian attitude toward cooperation with America. Bold and innovative thinking on both sides and the courage to get beyond some long-held mistrust holds promise of an even more vibrant, rich, and mutually beneficial new relationship, and a true strategic partnership.

(Excerpts of an article from The Wall Street Journal dated March 15)

(For the full article, visit: <http://www.online.wsj.com>)

'Meet the Author': Achamma C. Chandrasekaran

The Embassy of India, in collaboration with the Asia Society, Washington Chapter, organised an interesting 'Meet the Author' event at its premises in Washington, D.C., on March 8, 2005.

Achamma C. Chandrasekaran, a long-time resident of the Washington area, who was formerly at the U.S. Department of Commerce, has translated 25 short stories by award-winning Malayalam authors into English and compiled these into a book called 'Daughters of Kerala.' The event attracted a large and diverse audience.

Introducing the author, Deputy Chief of Mission Raminder Jassal recalled his connection with Kerala where he spent a year as a young civil service recruit on district training in the mid 1970s. Stating that he had, even then, found the women of that state of India to be full of character and inner strength, he was delighted that the present collection of short stories would help convey this image to a wider audience in the English-speaking world.

Answering a volley of questions from the audience, Achamma Chandrasekaran spoke of how she had selected the stories, what had attracted her to the particular ones she finally chose and what she wanted to convey to her readers.



Achamma C. Chandrasekaran, right, speaks at the Embassy of India in Washington, D.C., on her book 'Daughters of Kerala.' Also seen in the photo are R.S. Jassal, Deputy Chief of Mission, centre, and Joseph C. Snyder, Executive Director of the Asia Society, Washington. (Photo: Kiran Jagga)

Chandrasekaran was candid and direct in her responses. The animated discussion which followed, also touched upon the status of women in India.

Joseph Snyder, Executive Director of the Washington chapter of the Asia Society proposed a vote of thanks. The Embassy hosted a reception thereafter, during which Chandrasekaran signed copies of her book. ■

Global IIT Conference in May

The 2nd Global IIT Alumni Conference, 'Beyond iTechology,' is scheduled to be held at Washington, D.C., from May 20 to 22. About 2,000 guests are expected to attend. Human Resource Development Minister Arjun Singh will inaugurate the conference, while a galaxy of speakers including Jack Welch, former CEO of GE; Larry Summers, Harvard University president; C.K. Prahlad, professor at the University of Michigan; and Victor Menezes, vice chairman of Citi Group; have confirmed attendance. Ambassador Ronen Sen will deliver the conference's closing keynote address. The directors of all seven IITs will be in attendance.

The conference themes include collaboration between the IITs and leading technical universities in the U.S., a rural infrastructure technology panel will discuss ways of attracting investment and creating employment in rural India, a defense research panel will brainstorm on possibilities of IITs collaborating with the U.S. defense industry, and U.S. NGOs with experience in village technologies in India will narrate their experiences and talk of collaboration proposals. ■

(For more information, visit www.iit2005.org)

40-member UJF delegation visits Embassy



Ambassador Ronen Sen, centre, with Deputy Chief of Mission R.S. Jassal and Susan M. Farber, president of the United Jewish Federation, at the Indian Embassy in Washington, D.C. (Photo: Kiran Jagga)

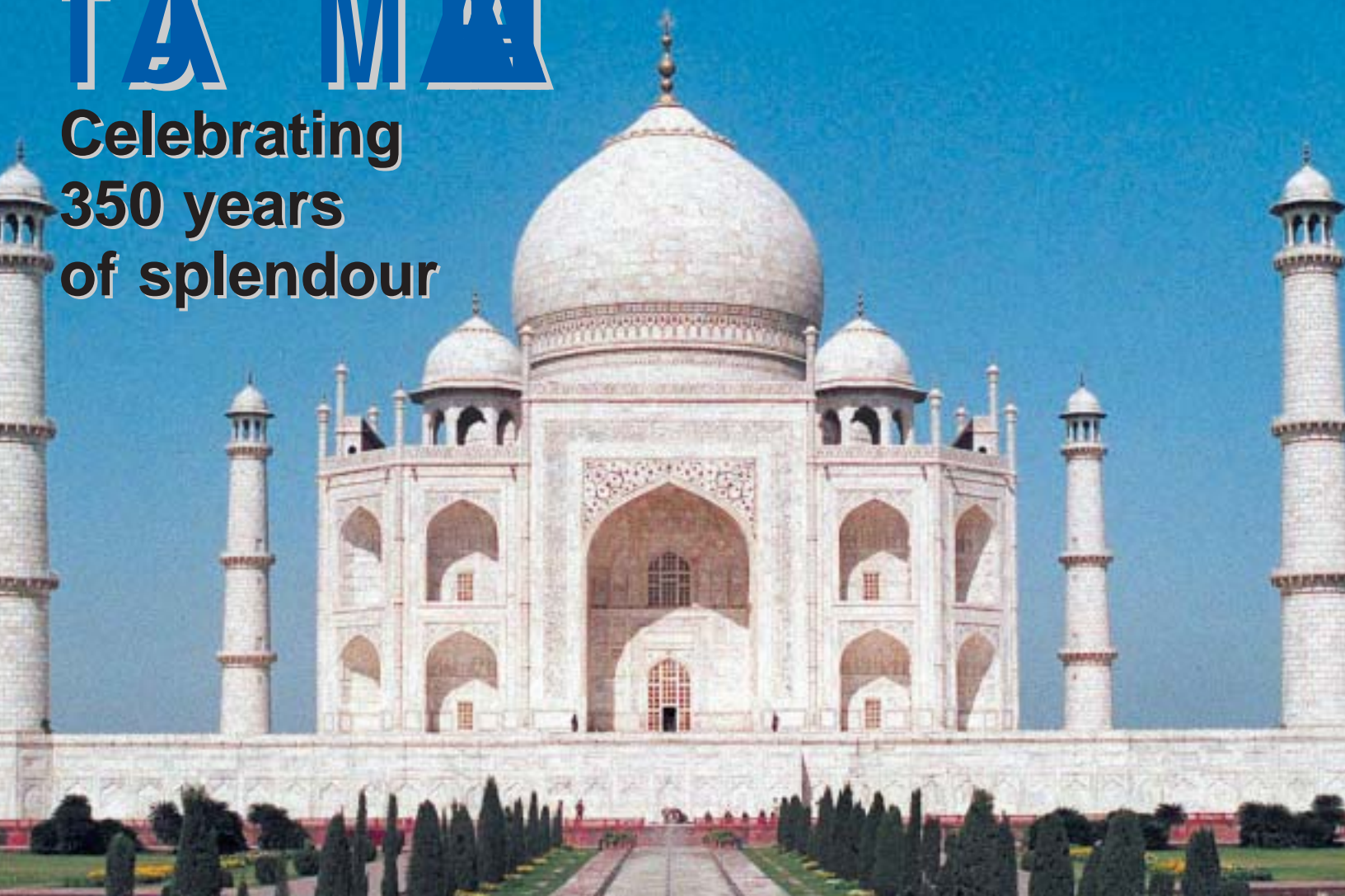
A 40-member delegation from the United Jewish Federation (UJF), New York, called on Ambassador Ronen Sen at the Chancery on March 17. The delegation, led by UJF President Susan M. Farber, attended an interactive session at the embassy focussing on India-U.S. and India-Israel relations.

In his address to the delegation, Ambassador Sen spoke of the ancient contacts of the Jewish community with India and the peaceful co-existence of Jews in India with other religious communities throughout history. He emphasised that India was one country where Jews never faced any persecution, and noted that since diplomatic ties were established with Israel in 1992, bilateral relations have advanced tremendously.

In his remarks, Deputy Chief of Mission R.S. Jassal, mentioned the immense regard in which David Ben Gurion held Mahatma Gandhi. He also cited parallels between Ben Gurion and Jawaharlal Nehru as two great nation builders and dwelt upon the strengthening and expansion of the contemporary ties between India and Israel. ■

T A M A

Celebrating 350 years of splendour



For 350 years now, the Taj Mahal has inspired poets, painters and musicians to try and capture its elusive magic in word, colour and song. Since the 17th century, travellers have crossed continents to come to Agra and see this ultimate memorial to love, and few have remained unmoved by its incomparable beauty.

The celebrations marking the 350th anniversary of the Taj began in September 2004 and was marked with special events over the next six months.

Standing on the banks of the Yamuna river, this marvel in marble was built by Mughal Emperor Shah Jahan in the memory of his beloved wife Mumtaz Mahal.

After Mumtaz's death, Shah Jahan

decided to erect a memorial that the world would never forget. The site selected for the tomb was a garden by the Yamuna river, unshadowed by any other structure.

Over 20,000 workers laboured for 17 years to build the mausoleum. Shah Jahan spent his last years in the Mussalman Burj looking downstream at the Taj where his beloved Mumtaz Mahal lay. After his death, he, too, was laid to rest beside her.

Shah Jahan's two biggest passions were architecture and jewellery and both are reflected in the Taj Mahal. The marble building is decorated with semi-precious stones inlaid with the delicacy of hand-crafted jewellery. For the intricate *pietra dura* the finest gems were collected — crystal and jade from China, lapis lazuli and sapphires from Sri Lanka, jasper from

Punjab, carnelian from Baghdad, turquoise from Tibet, agates from Yemen, corals from Arabia, garnets from Bundelkhand, onyx and amethyst from Persia.

Taj Mahal stands at one side of a garden laid in the traditional *charbagh* style, with its square lawns bisected by pathways, water channels and rows of fountains. Halfway down the path there is a square pool, its limpid waters reflecting the marble tomb. Unlike other tombs, Taj Mahal stands at one end of the garden instead of the centre. This was done deliberately, to leave its vista uncluttered by any other building.

The tomb stands on a marble plinth six-metres high. The four minarets at each corner beautifully frame the tomb. The plinth stands on a high standstone plat-

form and at the far ends of this base are two identical sandstone structures, a mosque to the west and its *jawab*, or echo, to the east. Thus, the main building is not just of great size but beautifully proportioned and balanced in design.

The actual graves lie in an underground crypt directly below the cenotaphs.

Taj Mahal is 75 metres high and is, in fact, taller than the Qutb Minar in Delhi.

Taj Mahal changes its moods with the seasons and the different times of the day. At dawn, the marble has a delicate bloom in shell pink, by noon it glitters majestically white, turning to a soft pearly grey at dusk. Monsoon clouds give it a moody blue tint and it appears and disappears like a mirage in the drifting mists of winter.

It can be solid and earthbound, fragile and ethereal, white, amber, grey and gold. The many faces of Taj Mahal display the seductive power of architecture at its best. ■

A virtual tour of Taj Mahal

Take a virtual tour of the magnificent Taj Mahal even if you cannot actually visit one of the world's most famous monuments to love.

A website www.taj350years.com imparts the history of the marble mausoleum.



Detail of carving on the Taj

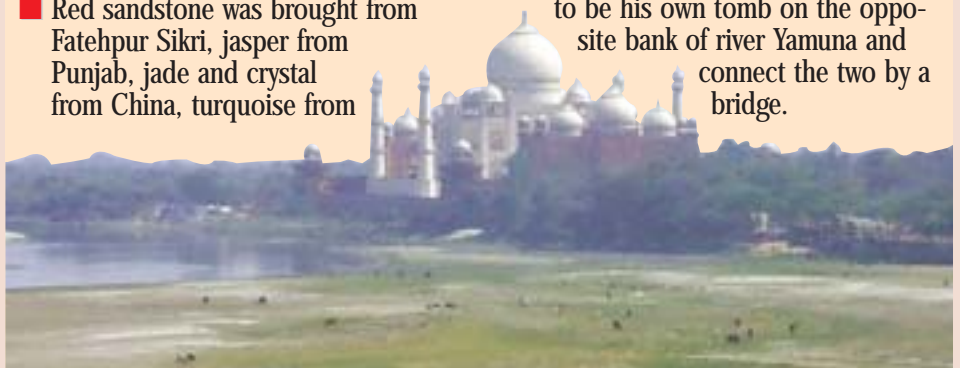
The website, developed by students, enables surfers across the world to learn everything about the Taj, its rich history and exquisite architecture.

Splendid images of the Taj add to the net surfer's virtual experience.

The site will keep the surfers updated on various events to be held till February next year to commemorate the 350-year celebrations.

Taj: Facts and Factoids

- At least 20,000 people were employed to build the Taj Mahal for around 17 years.
- The site selected was a garden by the Yamuna river.
- It stands on a marble plinth six-metres high.
- The monument is 75 metres high.
- It's cost of construction was up ay Rs. 5 million then.
- To date, the identity of its architect remains a mystery. It is said Shah Jahan may have served as his own artistic director. In the official Mughal histories, 37 men are mentioned by name under the category of designers and architects.
- The material was brought in from all over India and central Asia and it took a fleet of 1,000 elephants to transport it to the site.
- Red sandstone was brought from Fatehpur Sikri, jasper from Punjab, jade and crystal from China, turquoise from Tibet, lapis lazuli and sapphires from Sri Lanka, coal and carnelian from Arabia and diamonds from Panna.
- The white marble was quarried from the mines in Aravalli ranges in Dholpur and Jaipur.
- For the accommodation of workers, a small town named after the deceased empress, Mumtazabad now known as Taj Ganj, was built adjacent to the building site.
- A popular belief associated with the monument is that Shah Jahan chopped off the hands of all the 20,000 workers so that they cannot rebuild another monument like the Taj.
- Another belief is that Shah Jahan had planned to build another Taj Mahal in black marble, which was to be his own tomb on the opposite bank of river Yamuna and connect the two by a bridge.



TOURIST INFORMATION

How to Get There

By Air: Kheria Airport is 7 kms from centre of town. Delhi's Indira Gandhi International Airport is 204 kms away.

By Rail: The Agra Cantonment station is the nearest railhead. It is 6 kms from the city centre.

By Road: Uttar Pradesh Roadways' buses leave for other major cities from the Idgah bus stand.

Timing

8 a.m.-7 p.m.; closed on Mondays. Taj Museum is open from 10 a.m.-5 p.m.; closed on Mondays and Fridays.

Best time to visit

October to March

Entry Fee

Rs. 15 for the Taj Mahal and the Museum from 10 a.m. to 5 p.m.

Rs. 100 from 8 a.m. to 10 a.m. and 5 p.m. to 7 p.m. Children below 12 free. Free entry on Fridays.

Foreigners are charged a composite fee of Rs. 500 that allows them entry to all the monuments in Agra — Taj Mahal, Agra Fort, Itmad-ud-Daula and Sikandra.

For more information, visit

www.up-tourism.com
www.hcilondon.net
www.tourindia.com
www.tourismofindia.com



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