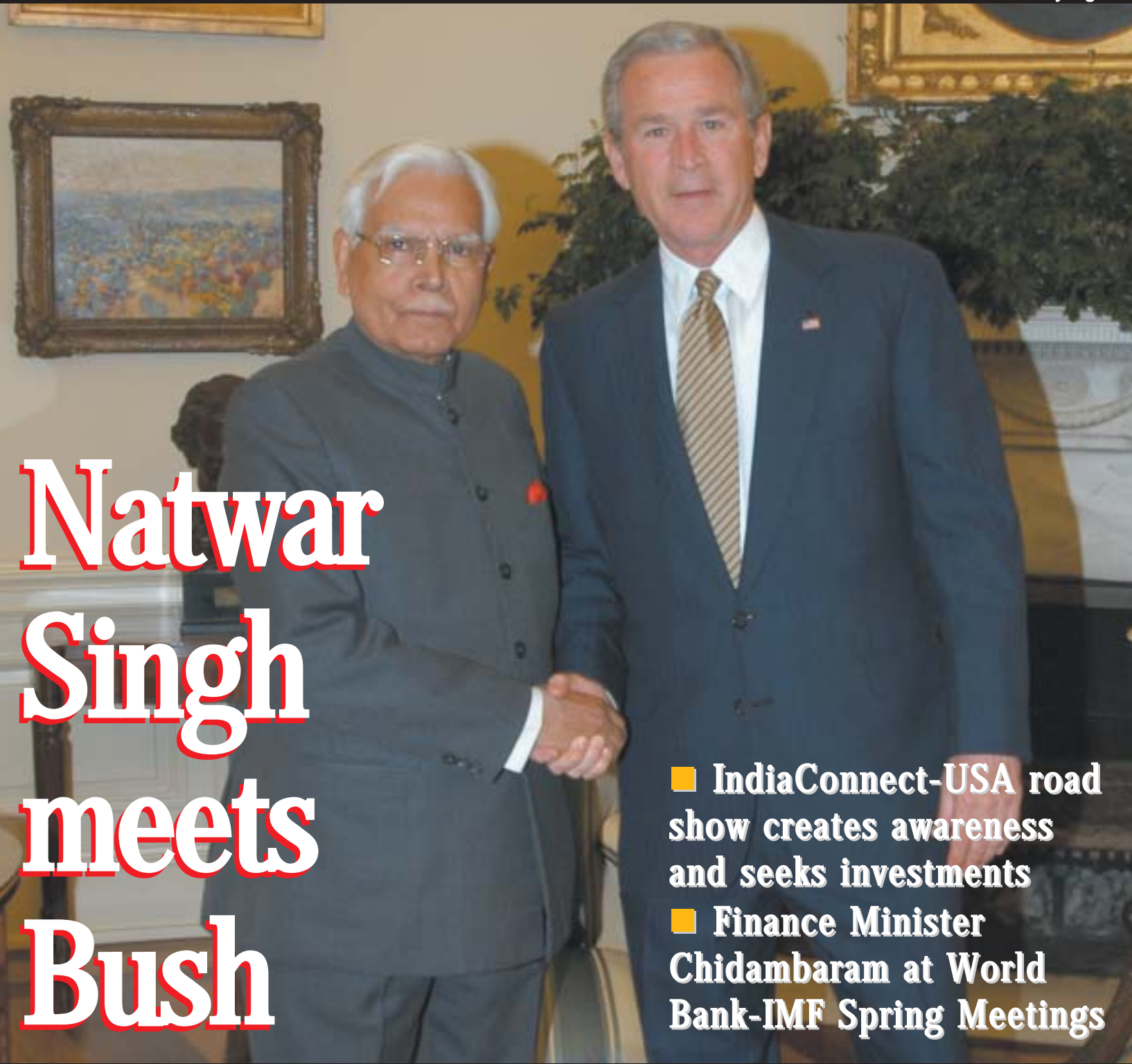


# India Review

■ Vol.1 Issue 5

■ [www.indianembassy.org](http://www.indianembassy.org)



## Natwar Singh meets Bush

- **IndiaConnect-USA road show creates awareness and seeks investments**
- **Finance Minister Chidambaram at World Bank-IMF Spring Meetings**

■ **INTERVIEW:** Commerce Minister Kamal Nath on the newly announced trade policy Page 2

■ **India and the U.S. formally sign the Air Services Agreement, opening up skies to both nations** Page 11

■ **TRAVEL:** Leh, a place of stark and timeless beauty, is worth a visit for its unique culture Page 14

# 'Export growth last year, at nearly 24 percent, is unprecedented in India's history'

India unveiled a new-look Foreign Trade Policy on April 8 that seeks to almost double the country's exports to \$150 billion over the next four years from \$80 billion in 2003-04. Commerce and Industry Minister Kamal Nath, who released the new policy in New Delhi, spoke to India Review about the new thrust he seeks to give India's foreign trade sector in the coming years. Excerpts from the interview:

**Q: What is the major thrust of the new policy?**

**A:** In the past, we were used to an Export-Import Policy that looked at the external sector in a limited manner. That's why I had announced a Foreign Trade Policy for 2004-09 in August last year. We have now reviewed the policy, simplified the procedures for the exporting community, given a major push to sectors like plantation, agriculture and small-scale industries, and also sought to enhance the competitiveness of India's export sector globally.

**Q: You have said India now has a Foreign Trade Policy instead of an Export-Import Policy. How different is this new policy thrust from the previous pronouncements?**

**A:** In the past, our entire thrust in the external sector was on dollar earnings. We are, of course, continuing with that, having set a target of \$150 billion in exports over the next four years. But the thrust of the new policy is on job creation. In fact, our ministry commissioned a study which reveals that exports generated an

incremental direct employment of one million jobs in 2004-05. The total employment in the export sector was 10 million — 8.6 of direct employment, and 1.4 million of indirect employment in the logistics, transport and related sectors. The study further reveals that if we achieve our target of \$150 billion over the next four years, we shall be adding an additional 10 million jobs.

**Q: How has our external sector fared in the last fiscal?**

**A:** We had envisaged a target of \$74 billion in merchandise trade last year at a growth rate of 16 percent. Our estimates

show that the actual growth of merchandise trade in the very first year of the Foreign Trade Policy (2004-05) has been of the order of almost \$80 billion at a growth rate of nearly 24 percent. The export growth last year is unprecedented in India's history. If we can maintain the momentum, I am confident that India will cross the \$150 billion dollars milestone substantially earlier than 2009. In view of our achievement last year, I have no option but to revise the target for the current fiscal upwards to \$92 billion from \$84 billion. It will be a challenge, but I am confident that we will meet it.

**Q: What about India's imports and the overall trade deficit or surplus?**

**A:** Of course, trade is not just about exports, but also about imports. The value of our imports last year was \$105 billion dollars, representing a growth of 34 percent. It is significant that oil imports accounted for \$29 billion, because of which there is a negative balance of trade is \$25 billion. But if oil imports are not to be counted, then our exports exceeded our imports by almost \$4 billion. I would also like to mention that even though we have a trade deficit in terms of merchandise goods, this is more than made up for by our services exports, which are estimated at about \$30 billion.

**Q: You were also expected to make some policy announcements like opening up of the retail trade...**

**A:** There is no doubt that I want India to emerge as a favourite global hub for shopping like Singapore and Thailand. Our retail sector should be able to compete with the best in the world. Retail trade is also a large employment generator. There is a 24 percent growth in the sector. In the Foreign Trade Policy, duty concessions have been given to the domestic retail trade industry to buy equipment like escalators and modern gadgetries that are seen in modern shopping malls. This is a first step towards allowing foreign investment in the sector. Let our domestic retail trade sector develop capacities so that they can compete. I want foreign investment in this area to add to the capacities and not displace the domestic sector. I am holding wide consultations on allowing foreign investment in the sector. A policy will be evolved over the next few months.

**Q: What steps have you taken to increase competitiveness of the Indian farm sector?**

**A:** The Foreign Trade Policy gives a big push to the agriculture sector, plantations and marine products. We have removed the cess imposed by various commodity boards on export of farm and plantation commodities. This eroded the competitiveness of our export sector. The cess on rice, for example, had been imposed to generate funds to fight the Basmati patents case. It has outlived its utility. Similarly, the package for the marine sector — a major contributor to exports — is aimed at offsetting the damage caused by the December 2004 tsunami. ■



Kamal Nath

We have now reviewed the 2004-09 policy, simplified procedures for the exporting community, given a major push to sectors like plantation, agriculture and small-scale industries, and also sought to enhance the competitiveness of India's export sector globally.

# India-China establish Strategic and Cooperative Partnership

**N**ew Delhi and Beijing on April 11 drew up a roadmap to resolve the long-standing boundary issue and moved towards establishing a strategic and cooperative partnership. The two countries, which fought a brief but bitter war in 1962, agreed to seek a political settlement to their protracted differences over the boundary question even as China formally acknowledged that Sikkim, an independent Himalayan kingdom till it merged with India in 1975, was an integral part of the Indian Union.

The agreements on the border issue and the strategic partnership were announced following wide-ranging talks between Prime Minister Manmohan Singh and Chinese Premier Wen Jiabao in New Delhi that culminated in the two countries signing a dozen agreements and issuing a Joint Statement.

The agreements ranged from steps to resolve the boundary issue to military confidence-building measures (CBMs) along the Line of Actual Control (LOAC), and steps to enhance economic and trade ties to take two-way trade from the current level of \$14 billion to \$30 billion by 2010.

New Delhi was as upbeat as Beijing at the outcome of the visit. "It was an extraordinarily successful visit," Foreign Secretary Shyam Saran told reporters after the delegation-level talks. "It has produced very important results, which are very far-reaching in character and set the pace for accelerating bilateral relations," he said. "We do not look at each other as adversaries. We look at each other as partners."

The Joint Statement said: "Taking into account the profound changes in the regional and international situation, the two sides agreed that India-China relations have acquired a global and strategic character. The leaders of the two countries have, therefore, agreed to establish an India-China Strategic and Cooperative Partnership for Peace and Prosperity."



Prime Minister Manmohan Singh, left with Chinese Premier Wen Jiabao in New Delhi on April 11. (Photo: AFP)

This is perhaps the most important development in the history of India-China ties since New Delhi re-established diplomatic relations in 1976 — after a 14-year freeze.

"Earlier, we talked of cooperation. Now we are talking about upgrading our relationship to strategic and cooperative partnership for peace and prosperity," the foreign secretary said. "This shows a certain level of maturity our relationship has reached," he added.

A key agreement that the two sides signed was to seek a "political settlement" of their decades-old boundary question, saying its "final solution" will help in qualitatively upgrading their bilateral relations.

"The differences on the boundary question should not be allowed to affect the overall development of bilateral relations. The two sides will resolve the boundary question through peaceful and friendly consultations," the agreement said.

"Neither side shall use or threaten to use force against the other by any means. The final solution of the boundary question will significantly promote good neighbourly and friendly relations between India and China," the agreement enunciating 11 "principles" said.

Wen, on a four-day visit to India, arrived in the Indian capital on the evening of April 10, after a visit two-day halt in Bangalore, India's information technology (IT) hub.

Besides holding talks with Prime Minister Manmohan Singh, the Chinese leader, who was accorded a ceremonial welcome in the forecourt of Rashtrapati Bhavan, the presidential palace, also met with President A.P.J. Abdul Kalam, External Affairs Minister K. Natwar Singh, Congress Party President and United Progressive Alliance (UPA) Chairperson Sonia Gandhi, and Leader of the Opposition L.K. Advani. ■

**(For full text of the Joint Statement and details of the 12 agreements signed, visit: <http://meaindia.nic.in>)**



Leader of the Opposition L.K. Advani, left, with Chinese Premier Wen Jiabao, during a meeting in New Delhi on April 11. (Photo: AFP)

# Natwar Singh meets with Bush and Rice



External Affairs Minister K. Natwar Singh, left, meeting with Senator Richard G. Lugar, center, chairman of the Senate Foreign Relations Committee, in Washington, D.C., on April 13. Also present was Ambassador Ronen Sen. (Photo: Rajan Devadas)

**E**xternal Affairs Minister Natwar Singh concluded a highly successful two-day visit to Washington, D.C., on April 14, during which he had meetings with President George W. Bush and Secretary of State Condoleezza Rice, and was assured that the current administration intended to take relations between the two countries several notches higher. On the previous day he had met National Security Adviser Stephen Hadley and Senator Richard Lugar, Chairman of the Senate Foreign Relations Committee.

The two nations are now embarked on a strategic dialogue as well as an energy dialogue, the minister said at a press conference at the conclusion of his visit. "The strategic dialogue will provide the political direction to our rapidly-expanding ties. It will oversee the realization of the rich and diverse agenda that we have before us. The dialogue is key to our global partnership," Singh said.

"The energy dialogue recognizes the importance of addressing growing energy demands while taking into account their environmental implications. Its three main components are civil nuclear energy, hydrocarbons and cleaner technologies. I must particularly thank our American friends for the fresh approach that they have brought to bear on a subject so important to us," the minister said.

The U.S. and India are also engaged in space cooperation, the minister said. "Our cooperation in space highlights the technology bond that is the special characteristic of our ties. As secretary Rice indicated, we are establishing a joint working group and have agreed on its terms of reference. Our goal is to promote synergies in all aspects of space collaboration, including satellite fabrication and launch," Singh, who also addressed a joint press conference with Rice at the State Department, told reporters.

He said the New Steps in Strategic

President Bush told External Affairs Minister Natwar Singh that he "could not wait" to visit India. Foreign Secretary Shyam Saran, who was present at the meeting, told reporters that the visit was expected within a year.

Partnership would be accelerated. "It has been a useful and productive engagement. But we are now looking at wider horizons."

According to officials present at the Minister's meeting with President Bush on April 14, the latter described India as a "global power" and said that Washington wants to work "very closely" with New Delhi on a range of issues.

During the meeting, held at the Oval Office in the White House, Bush expressed admiration for the talent of Indians and the country's commitment to democracy.

The President also told Singh that he "could not wait" to visit India. Foreign Secretary Shyam Saran told reporters that the visit was expected within a year.

Bush said he was "extremely excited about the state of U.S.-India relations" and was committed during the next four years of his tenure to taking them to a "much higher level." The President also said a very warm welcome awaited Prime Minister Manmohan Singh during his proposed visit to the United States. Although no dates have been announced, the trip is expected to take place in July.

From the Indian side those present at the meeting with Singh included Deputy Chairman of the Planning Commission Montek Singh Ahluwalia, Ambassador Ronen Sen and Foreign Secretary Shyam Saran.

The U.S. side included Secretary of State Rice, White House Chief of Staff Andrew Card and National Security Advisor Stephen Hadley.

According to officials, Bush said India and the U.S. needed to work together in the energy sector, which would also include civil nuclear cooperation. Singh spoke about the affinity between the two countries and their commitment to democracy.

Bush said he had made a very personal commitment to



External Affairs Minister Natwar Singh, left, with Secretary of State Condoleezza Rice, at their joint press conference at the Ben Franklin room in the State Department in Washington, D.C., on April 14. (Photo: Rajan Devadas)

take bilateral relations forward. As a result, India-U.S. ties were the "best we have had for a long time." Singh also handed over to Bush a letter from Prime Minister Manmohan Singh.

After his meeting with the President, Singh met with Secretary of State Condoleezza Rice and held discussions on a wide range of issues. During her joint press conference with Minister Singh, Secretary Rice said: "India is becoming a global power not because the United States is making it one, but because India is a democracy that is emerging to take on global responsibilities. It has the population, the reach, the increasing economic clout to do that."

Dr. Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission, who will co-chair the economic and energy dialogue from the Indian side, was quoted as saying in reports: "The scale of our energy demand makes us look at diverse sources... I am sure there are many points of agreements between the U.S. and India."

The sale of F-16 fighter jets to Pakistan did not figure in Natwar Singh's meeting with President Bush or Secretary Rice. Asked about the sale, Singh said: "It did not come up."

On the question of reforming the U.N. and India's bid for a permanent seat on the Security Council with full veto powers, Singh said: "Take any aspect of U.N. life, India has played a leading role, and by any criteria that you apply India qualifies for a seat in the expanded Council as permanent member. And it is quite obvious that the structure created in 1945 doesn't represent what's happening in 2005."

Secretary Rice said: "Let me just add that I would agree completely that we are going to need to take a look at the structures because they are from 1945, and not just the Security Council, but all of the structures of the United Nations need revitalizing and reform. But India is a growing influence in international politics and in international organizations more broadly. That's going to have to be accommodated."



From left, Deputy Chairman of the Planning Commission Montek Singh Ahluwalia and External Affairs Minister K. Natwar Singh with Stephen J. Hadley Assistant to the President for National Security Affairs, in Washington, D.C., on April 13. (Photo: Mohammad Jaffer/SnapsIndia)

# Finance Minister at World Bank-IMF Spring Meetings

**F**inance Minister P. Chidambaram, who was in Washington, D.C., from April 14 to 17 to attend the World Bank-International Monetary Fund (IMF) Spring Meetings, has said that although the global economy grew at a “robust” 5.1 per cent in 2004, “downside risks persist” and stressed the need to “insure ourselves” against them.

In his speech at the International Monetary and Finance Committee (IMFC) meeting on April 16, the Finance Minister dwelt on two of these risks: One, the unbalanced nature of growth and widening current account imbalances; and two, the burgeoning oil prices.

Noting that there is a “growing consensus that the adjustment of these imbalances needs to be paced and sequenced in a non-disruptive manner,” the minister said the strategy to tackle the problem “includes fiscal consolidation in the U.S., structural reforms in the Euro area, continuing monetary stimulus in Japan, and greater exchange rate flexibility in emerging Asia.”

Calling for a “contingency plan” to avert any “abrupt unwinding of these imbalances,” Chidambaram said there was a need for “coordinated action” in consultation with the G-7 and the G-20 countries.

Such action, he said, should “address, among other issues, vexed questions such as how much of the adjustment should be borne by interest rates and how much by exchange rates.” The answer, he added, will have to take into account the “ramifications that increases in interest rates will have on the growth momentum of the global economy.” “We must acknowledge,” he added, “that in the recent past the benign interest rate regime and price stability have contributed a lot to firing the engine of growth, particularly in the developing world.”

On the high level of oil prices that “are straining the growth performance of many economies, particularly the oil-importing developing ones,” the Finance Minister said there was a need to “guard against market distortions.”

“Given that oil is a universal intermediate, the efficiency costs of imperfections in the oil market can be large not only for oil importers but also for oil exporters. The burden of high oil prices has, however, fallen disproportionately on the developing countries,” he said. Citing the example of India, he pointed out that the average price of the basket of imported oil had risen from \$28 in 2003-04 to \$52 in 2005-06.

Chidambaram, who met with U.S. Treasury Secretary John Snow on April 16, also issued a statement on behalf of the constituency comprising Bangladesh, Bhutan, India and Sri Lanka at Development Committee

In his speech at the International Monetary and Finance Committee (IMFC) meeting on April 16, the Finance Minister dwelt on two of the risks to the global economy: One, the unbalanced nature of growth and widening current account imbalances; and two, the burgeoning oil prices.



Finance Minister P. Chidambaram, left, during a bilateral meeting with U.S. Treasury Secretary John Snow in Washington, D.C., on April 16. (Photo: Embassy of India)

Meeting on April 17, on the Millennium Development Goals (MDGs) enshrined in the Millennium Declaration adopted by 189 countries at the U.N. Summit of 2000.

Noting that “we have traversed one third of the distance,” the Finance Minister said: “The fact is that we are already lagging in our tryst with the targets that we had set for achievement by 2015. It is thus time for us to build momentum; else we may arrive too late or, in the case of some countries, not arrive at all.”

This year’s Global Monitoring Report (GMR) on the MDGs, as well as a study on the goals commissioned by the U.N., present a grim picture, the minister said.

More than one billion people still live below the extreme poverty line of one dollar per day, and around 20,000 die from poverty each day. Overall global wealth has grown but is less evenly distributed within countries, within regions, and in the world as a whole.

The minister backed the five-point agenda for action set out in the GMR. But, Finance Minister Chidambaram said in the statement, the “issue before us is really not identification of new action points or targets; it is really an issue of carrying through the commitments already made, and of ‘walking the talk.’” ■

**For the full text of the Finance Ministers speeches, visit:**  
[http://www.indianembassy.org/FM/fm\\_Apr\\_05.htm](http://www.indianembassy.org/FM/fm_Apr_05.htm)

# IndiaConnect-USA creates awareness, seeks investments

**I**ndiaConnect-USA, a two-week-long road show aimed at creating awareness about Indian industry and promoting investments, began in Seattle on April 8 and wound up in New York on April 18. The event, which also had stops in San Francisco, Washington, D.C., and Chicago, was organised by the confederation of Indian Industries (CII).

The road show, which was accompanied by a high level business delegation headed by CII President Sunil Kant Munjal, was lent weight by the participation of Science and Technology Minister Kapil Sibal and Minister of State for Commerce and Industry E.V.K.S. Elangovan. Finance Minister P. Chidambaram, who was in the U.S. to attend the World Bank-IMF Spring Meetings, also addressed the event in Chicago.

In a keynote address at a luncheon meeting hosted by the Washington Council of International Trade in Washington, Minister Sibal said the India is open to investment, and is eager to engage with the U.S. He also outlined the opportunities in the biotechnology sector and spoke of the country's recently announced Biotech Strategy.

Earlier, in Seattle, Sibal launched the Indian American Council (IAC), a new initiative to connect Indian Americans to opportunities in India. The council, co-chaired by technocrat Sam Pitroda and Anil Kumar of McKinsey & Co., is expected to emerge as a "clearing house" of opportunities related to India's economic development.

The IAC was also promoted in San Francisco, the next halt of IndiaConnect-USA, and over a 100 people — including prominent Indian Americans such as Vinod Khosla, Kanwal Rekhi, Vivek Paul, Vin Gupta, among others — attended the event. In the Bay Area, the minister and the CII delegation addressed the American business community at two events.

Joining the road show in Washington, D.C., which was inaugurated by Ambassador Ronen Sen, was Minister Elangovan who addressed a conference jointly organised by CII and the U.S.-India Business Council (USIBC). He highlighted the growing bilateral economic relations between the India and the U.S. and said the United Progressive Alliance government in New Delhi was committed to reforms.

He underlined his contention by pointing to the fact that the government had gone ahead with the introduction of value-added tax (VAT), the passage of the Patents Bill and a reduction in import duty rates. On the issue of trade facilitation measures, the minister highlighted the provisions of the new Export-Import policy that simplifies procedures in a bid to reduce transaction costs.

U.S. Deputy Secretary of Commerce Ted Kassinger also delivered the luncheon keynote address in Washington. He presented the U.S. perspective on moving forward the economic relations between the two nations.

In Washington, the delegation called on several cabinet members, Administration officials and members of



Minister for Science and Technology Kapil Sibal, center, and Confederation of Indian Industry (CII) President Sunil Kant Munjal, with Sam Reed, Secretary of State, Washington State, during the IndiaConnect-USA road show in Seattle. (Photo: Courtesy, CII)

Congress. It met with Secretary of State Condoleezza Rice; Treasury Secretary John Snow; Energy Secretary Samuel Bodman; acting U.S. Trade Representative Ambassador Peter Allgeier; Assistant to the President on Economic Policy Allan Hubbard; and Counselor in the State Department Philip Zelikow.

On the Hill, the delegation had substantive discussions with both the Senate and Congressional India Caucuses. The delegation met with Senator Hillary Clinton (D-NY) and Senator John Cornyn (R-TX), co-chairs of the Senate India Caucus. The delegation, accompanied by Minister Elangovan, also met with Rep. Ileana Ros-Lehtinen (R-FL) and Rep. Gary Ackerman (D-NY), co-chairs of the Congressional Caucus on India and Indian Americans.

In Chicago, Finance Minister Chidambaram addressed a symposium titled 'India! — The New Global Business Opportunity' organized by the Chicago Council on Foreign Relations, the CII and the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry.

The road show ended in New York with a conference titled 'India's Financial Markets' and co-hosted by Asia society. Dr. Rakesh Mohan, secretary, Department of Economic Affairs, who spoke at the event, stated that the Indian economy was on the move and there was a new confidence in the air. He noted that India's gross domestic product (GDP) growth rate last year was about 7 percent, with manufacturing growth in double digits.

Dr. Mohan observed that investment was also picking up. He pointed out that all this was the result of the consistent and continuous economic reforms that India had undertaken. ■

# Houston International Festival celebrates 'Incredible India'

**T**he Annual International Festival in Houston, the fourth-largest city in the United States, was jointly inaugurated at a colourful ceremony by Mayor Bill White and Ambassador Ronen Sen on April 22. The focus was on India.

The 'Incredible India' zone, located at the centre of the 16-acre festival venue in downtown Houston, featured Manipuri folk dances, Bollywood extravaganzas of music, dance, comedy and costumes, ending daily with a bhangra performance

Business Council, the Greater Houston Partnership and the Indo-American Chamber of Commerce of Greater Houston. This conference was attended by over 400 business executives.

The festival was the result of two years of meticulous preparations initiated by Consul General Skand Tayal, together with Chairman Robert Sakowitz and President Jim Austin of the Houston Festival Board. Consul General Tayal also played a pivotal role in the preparation of a Teacher's Curriculum

Guide on India, which will be distributed to over 1,100 schools with the active assistance of volunteers from the Indian-American community.

The Ministry of Tourism, the Indian Council of Cultural Relations and the Handicrafts Board participated in the festival, with the enthusiastic support of representatives of the 110,000 strong Indian-American community in the Greater Houston area.

Mayor Bill White lauded the role of the dynamic Indian-American community. He also noted that India's multi-cultural diversity and harmony existed many centuries before the United States came into existence. Ambassador Sen spoke of the dynamic development of India-U.S. partnership, which was firmly set on an upward trajectory. He noted the potential role of Houston in participating actively in a number of Indo-US initiatives launched during the recent visit of External Affairs Minister Natwar Singh to Washington, D.C. For instance, Houston, as the "energy capital" of the U.S., could contribute in the work of the India-U.S. Energy Dialogue. Similarly, Houston, as a

premier space center, could be involved in the work of the India-U.S. Working Group on Space. Ambassador Sen also

noted that, following the signing of the India-U.S. Air Transport Agreement in Delhi by U.S. Transport Secretary Norman Mineta and Minister of State for Civil Aviation Praful Patel, the Houston-based Continental Airlines would be the first U.S. airline to commence a non-stop direct flight between the U.S. and India later this year. Ambassador Sen had discussions in this regard with the chairman and CEO of Continental Airlines, Lawrence Kellner, who said that the airline had an important long-term stake in its operations in India. ■



From left, Consul General Skand Tayal, Chairman Robert Sakowitz of the Houston International Festival Board, Mayor of Houston Bill White and Ambassador Ronen Sen, at the inaugural of the Festival on April 22. (Photo: Consulate General of India, Houston)

over two weekends. Artisans from India, including a sand artisan from Orissa, demonstrated traditional crafts in a *mela*-like ambience where residents of Houston were also able to savour authentic Indian cuisine.

Over 600 of the elite of Houston society gathered on the evening of April 22 at a glittering gala banquet hosted by Mayor Bill White in honour of Ambassador Sen. This event featured Indian classical and folk dances and an Indian designer fashion parade.

The festival included a Business Conference on 'India's Emerging Role in the New Global Economy,' organized jointly by the Consulate General of India in Houston with the U.S.-India

The 'Incredible India' zone, located at the centre of the 16-acre festival venue in downtown Houston, featured Manipuri folk dances, Bollywood extravaganzas of music, dance, comedy and costumes, ending daily with a bhangra performance over two weekends.

## 8th annual AAPI Legislative Day on the Hill

**T**he American Association of Physicians of Indian Origin (AAPI) observed its annual Legislative Day on Capitol Hill on April 26. AAPI, representing nearly 40,000 doctors of Indian origin living in the United States, is regarded as the second-largest medical association in the U.S. after the American Medical Association (AMA). Its mission is to serve as a forum to facilitate and enable Indian American physicians to excel in patient care, teaching and research, and to pursue their aspirations in professional and community affairs.

Ambassador Ronen Sen hosted AAPI leaders, including its President, Dr. Jagan Ailinani, and its President-elect, Dr. Vijay Koli, for dinner on April 25, and attended a reception organized by AAPI at the Cannon Caucus Room on Capitol Hill on the occasion of the Legislative Day on April 26. Among those who attended the reception were Senator Evan Bayh (D-IN), House Minority Whip Steny Hoyer (D-MD), India Caucus Co-Chairs Gary Ackerman (D-NY) and Ileana Ros-Lehtinen (R-FL), former India Caucus Co-Chairs Congressman Frank Pallone (D-NJ) and Congressman Joe Crowley (D-NY), Congressman Brian Higgins (D-NY), Congressman Henry Bonilla (R-TX), Congressman Jerry Costello (D-IL), Congressman Joseph Knollenberg (R-MI), Congressman Bobby Jindal (R-LA), Congresswomen Shelley Berkley (D-NY), Congressman Sander Levin (D-MI), Congressman Earl Blumenauer (D-OR) and Congressman Chris Van Hollen (D-MD).

In their remarks, the Members of the U.S. Congress warmly acknowledged the important role being played by AAPI in the medical profession, especially in taking medical care to



Photo above, Rep. Bobby Jindal (R-LA), right, at the 8th AAPI Legislative Conference in Washington, D.C., on April 26. Photo below left, Ambassador Ronen Sen speaking at the event. Photo below right, Senator Evan Bayh (D-IN) at the event. (Photos: Mohammad Jaffer/SnapsIndia)

areas where it was not easily accessible. They also recognized the significant contributions to U.S. society by AAPI and the growing Indian-American community.

Ambassador Sen expressed his sincere appreciation of the outstanding contributions made by AAPI in community service in the U.S. and in promoting closer partnership between India and the U.S. Referring to his recent meeting with Secretary of Health and Human Services Mike Leavitt, Sen pointed out that the adoption of the new patent legislation in India had created opportunities for U.S. pharmaceutical firms to invest in projects for development and production of new drugs in a more speedy, efficient and cost-effective manner. He added that since India had the largest number of FDA approved pharmaceutical firms outside the U.S., there could also be enhanced procurements for medicines under the federal procurement scheme and for homeland security requirements. ■



## India-Pakistan Joint Statement: Peace process is 'irreversible'

India and Pakistan on April 18 scripted a new chapter to their bilateral ties as they termed their peace process "irreversible", agreed to initiate more people-to-people contacts and confidence building measures, and decided to work for a final settlement of their differences on Jammu and Kashmir.

After a three-day visit by Pakistan President Pervez Musharraf, the two neighbours, for the first time, recognised the enormous potential of their largely untapped bilateral trade and resolved that the "two leading economies of South Asia should work together for the greater prosperity of the region."

The visit was capped by a 17-point Joint Statement that covered the entire gamut of issues between the two countries. And as Prime Minister Manmohan Singh read it out to the media, General Musharraf stood by his side, underscoring the fact that the two sides were in total sync on the contents of the statement.

Musharraf, who had earlier said that the people's wish for peace had overtaken leaders and governments, described the outcome of this visit as beyond his expectations.

"The achievements are more than I expected in all areas," he told a meeting of editors, attributing the achievements to the "openness and very flexible approach on both sides, including on Kashmir."

The two leaders reaffirmed the commitments made in the Joint Press Statement of January 6, 2004, issued in Islamabad, and the Joint Statement issued after their meeting in New York on September 24, 2004 — to resolve all outstanding issues, including Jammu and Kashmir, through negotiations, with Pakistan committing to not allowing territories under its control to be used for terrorist activities directed against India.

"They were satisfied with the discussions and expressed their determination to work together to carry forward the process and to bring the benefit of peace to their people," the April 18 Joint Statement said.

The two leaders also agreed to pursue further measures to



Prime Minister Manmohan Singh, right, with Pakistan President Pervez Musharraf ahead of their meeting at Hyderabad House in New Delhi on April 17. (Photo: AFP)

enhance interaction and cooperation across the Line of Control (LoC) — which divides Jammu and Kashmir between India and Pakistan — including agreed meeting points for divided families, trade, pilgrimages and cultural interaction and reopening of the consulates in Mumbai and Karachi.

Both condemned attempts to disrupt the Kashmir bus service and welcomed its successful operationalisation. "The two leaders pledged that they would not allow terrorism to impede the peace process," the statement said. ■

(For full text of the Joint Statement, visit:  
<http://meaindia.nic.in/jshome.htm>)



Photo left, Pakistan President Pervez Musharraf, right, with Sonia Gandhi, Congress Party President and Chairperson of the United Progressive Alliance coalition, in New Delhi on April 17. Photo right, Musharraf with former Prime Minister Atal Bihari Vajpayee on April 18. (Photos: AFP)



## India, U.S. formally sign Air Services Agreement

**I**ndia and the U.S. on April 14 signed a far-reaching Air Services agreement in New Delhi that will facilitate direct air links between the two nations, improve frequencies and lower the cost of air travel. Civil Aviation Minister Praful Patel and U.S. Transportation Secretary Norman Y. Mineta were the signatories to the agreement.

"We have signed a landmark agreement that opens the skies between India and the U.S. America is committed to help India become a major power in the 21st century. Civil aviation is a core component of that goal," Mineta said.

"This is the most liberal air services agreement we have ever signed with any country," Patel said of the pact, which replaces the earlier bilateral agreement between the two countries entered into in 1956. The previous bilateral pact between imposed restrictions on issues such as cities that can be serviced, the number of airlines, type of aircraft and the frequency of routes.

According to Mineta, three U.S. carriers have already announced their plans to start daily flights to India — Delta (between New York and Chennai), Northwest (Minneapolis-Bangalore) and Continental (Newark-New Delhi). "This will mark the first regular non-stop flights between the U.S. and India," he added.

Indian private carriers such as Air Sahara and Jet Airways, who have been allowed to fly abroad, have also been awaiting the air services agreement between the two countries, given the 30 percent increase in traffic last year.

### Aid to boost civil aviation industry

**T**he United States on April 14 committed \$500,000 for a private-public program aimed at strengthening India's growing civil aviation industry.

The Aviation Cooperation Program, unveiled by U.S. Secretary of Transport Norman Y. Mineta, will help identify and support India's civil aviation sector through technical assistance, job training and personnel exchange programs between the two countries. Air traffic safety and efficiency, airport security, infrastructure development, flight standards, regulation and certification are the other areas identified for cooperation.

The U.S. Trade and Development Authority (USTDA) has committed \$500,000 for the program modeled on the one existing between the U.S. and China.

Six US corporations — Boeing, Bell Helicopter, GE, Honeywell, Raytheon and Pratt and Whitney — would be partnering in the India program, Mineta said.

"This program reinforces our belief that there is no one-way lane between the U.S. and India, only two-way streets," Mineta said. ■



Civil Aviation Minister Praful Patel, right and Transportation Secretary Norman Mineta shake hands after they signed the India-U.S. Air Services Agreement in New Delhi on April 14. (Photo: AFP)

The new agreement would allow unrestricted airline service from either country to, from and beyond the other's territory, with no restrictions on frequency or prices, he said.

The contours of the new agreement were reached in Washington, D.C., on January 13 when Patel met Mineta and the two sides felt an open skies policy would deliver tremendous benefits to tourism, trade and economic cooperation. ■

### Work on Bangalore airport in May

**C**onstruction work on the much-awaited Bangalore international airport project is set to commence in May. The greenfield project coming up at Devanahalli, about 35 km from Bangalore, India's IT hub, is being executed by the Bangalore International Airport Ltd. (BIAL), a consortium of public-private partnership.

"We have signed all the major agreements, including the concessional agreement (CA), the state support and lease agreement, the operational management agreement, the complete navigation system (CNS) and air traffic management (ATM) with the Airports Authority of India (AAI)," BIAL CEO Albert Bruner said.

"Around 99 percent of the legal framework is in place. There are a few formalities to be completed. For instance, we have to sign the land lease deed with the state authorities, which we hope to do in the next few days.

As these are minor details, Bruner expressed confidence BIAL would be in a position to begin construction work by mid-May so that it could go ahead and achieve the financial closure for the project. ■

# Virginia Governor Mark Warner in India

## In a Nutshell

### 100 million telephones

**FROM BARELY** 30 million telephones in 2000, India has now crossed the 100 million mark, becoming the fifth largest telecom network in the world, IT and Communications Minister Dayanidhi Maran has said. The actual telephone users now stands at 100.27 million and tele-density 9.13 percent. "In terms of number of phones, we are the fifth largest network in the world after China, the U.S., Japan and Germany," he said.

### Target for biotech sector

**AIMING TO** replicate its success story in information technology (IT), India has set a \$5 billion target in the emerging biotechnology industry by 2010. Speaking at the three-day Bangalore Bio 2005 event on April 22, Biocon chairperson Kiran Mazumdar Shaw said the Indian biotech industry had already grossed \$1 billion in fiscal 2004-05. "In the next five years, the sector is poised to grow by leaps and bounds to post \$5 billion, with exports accounting for a major portion of the revenue," she said.

### India's export ranking

**INDIA HAS** been ranked the 20th largest exporter of merchandise goods with a 1.1-percent share of global exports in 2004 in the latest trade statistics of the World Trade Organisation (WTO). The country's merchandise exports were valued at \$72.5 billion. In comparison, the exports of the top three in the league were estimated at \$1.2 trillion for the European Union, \$819 billion for the U.S. and \$593 billion for China.

**T**rade and investment between the U.S. state of Virginia and India will receive a shot in the arm with the signing of a Memorandum of Understanding (MoU) between the Virginia Economic Development Partnership (VEDP) and the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi.

The MoU was signed by the visiting Governor of the Commonwealth of Virginia, Mark E. Warner, and Onkar S. Kanwar, President, FICCI, in New Delhi on April 27.

During his India visit, Governor Warner called on Prime Minister Manmohan Singh and also met Finance Minister P. Chidambaram and Commerce and Industry Minister Kamal Nath.

After signing the MoU, Governor Warner, who is leading a 65-member business delegation from Virginia, the largest-ever from a U.S. State to India, advised Indian industry leaders to address their concerns and initiatives on outsourcing from India at the level of States in the U.S. so that India's views are better understood at the grassroots and concerns addressed in a holistic manner.

He said, the U.S. recognises India as an emerging world economic power and "we are



Virginia Governor Mark Warner with Prime Minister Manmohan Singh in New Delhi on April 27. (Photo: PIB)

here to interest Indian companies to invest in Virginia, particularly in its rural economy."

After his New Delhi visit, Governor Warner left for Bangalore, as he wanted to see first-hand the hub of India's information technology prowess. In the city, he visited the facilities of Infosys and Wipro Technologies, two of the country's top IT firms.

Governor Warner later travelled to Mumbai, India's financial capital. ■

## India-U.S. pact on road science cooperation

**I**ndia and the U.S. on April 14 signed two agreements to promote cooperation in "road transportation science and technology" and for sharing knowledge on maritime infrastructure.

Under the Memoranda of Cooperation signed by Shipping, Road Transport and Highways Minister T.R. Baalu and visiting U.S. Secretary of Transport Norman Y. Mineta, the two sides will promote scientific and technological cooperation and collaboration in the chosen fields.

This, they believe, will be in the long-term interest of the two countries, an official statement said.

It said the agreement on road science paved the way for the two sides to cooperate in surface transport, inter-modal transport, road safety, intelligent transportation systems, transportation of the disabled, and other

areas that are of mutual interest.

The pact provides for exchange of technical information on public transportation and highways, and training of highway professionals by experts of the two countries.

The American delegation also offered training at its National Institute of Federal Highway Administration (NFHA) for Indian professionals.

The pact on maritime transport science and technology lays down guidelines for bilateral cooperation in shipping and inter-modal operations, maritime safety and security, port management, dredging and dredger construction.

Besides ship recycling, maritime training and education, technological developments related to the maritime sector, inland water transport and other fields of mutual interest would be covered by this agreement. ■

# Air-India poised to acquire 50 aircraft from Boeing

**I**n the biggest deal in India's aviation history, state-run international carrier Air-India announced on April 26 that it proposed to buy 50 planes from U.S. aircraft maker Boeing. The Air-India Board cleared a long-pending proposal to acquire new planes with an investment of Rs. 300 billion (\$6.9 billion) at a meeting held at the airline's headquarters in Mumbai.

Air-India's fleet expansion programme topped the agenda for the meeting. The proposal will have to be approved by the Union Cabinet.

According to the aircraft acquisition plan, Air-India will buy eight medium capacity

The Air-India Board cleared a long-pending proposal to acquire new planes with an investment of Rs. 300 billion (\$6.9 billion) at a meeting held at the airline's headquarters in Mumbai.

buy eight medium capacity ultra-long range B777-200LR; 15 medium capacity long-range 350-seat B777-300ER; and 27 medium capacity long-range 250-seat B787, said a statement.

The decision in favour of Boeing was taken by the Air-India Board after a detailed examination of the recommendations of an in-house techno-economic committee appointed for examining bids, the



B777-200LR

statement issued by the airline said.

The Air-India Board had evaluated financial and technical bids of both Boeing and France's Airbus Industrie before awarding the multibillion-dollar contract.

Air-India's proposed new acquisition programme comes after a gap of 15 years as the airline gears up to face competition from private carriers that have been allowed to fly on overseas routes. Air-India has firmed up plans to boost its operations in the U.S. by increasing the frequency of flights and connecting new destinations over the next few months. The airline has decided to add three more destinations for its U.S. operations. ■

## U.S. to review anti-dumping duty imposed on Indian shrimp

**T**he U.S. International Trade Commission (ITC) has said that it will review its ruling imposing anti-dumping duty on shrimp imports from India. The decision to review the ruling came days after New Delhi urged Washington to waive the anti-dumping duty to help revive the tsunami-hit shrimp industry in India.

India's concern in this regard was conveyed by Minister of State for Commerce and Industry E.V.K.S. Elangovan during his meeting with U.S. Deputy Secretary of Commerce Theodore Kassinger and acting U.S. Trade Representative Peter F. Allgeier in Washington last month.

Elangovan also met Congresswoman Ileana Ross-Lehtinen (R-FL) and Congressman Gary Ackerman (D-NY) — co-chairs of the India Caucus in the House of Representatives — to apprise them of the damage and the losses suffered by the fishing community, an official statement in New Delhi said.

In January this year, the Commission said it believed imports of certain frozen warmwater shrimp from India and Thailand were injuring U.S. marketers. But it had left room to conduct a second review if necessary.

On April 16, by a 5-1 vote, the Commission declared it would set up a review of its decision. Vice Chairman Deanna Tanner Okun and Commissioners Marcia E. Miller, Jennifer A. Hillman, Charlotte R. Lane, and Daniel R. Pearson voted in the affirmative. Chairman Stephen Koplman voted in the negative.

The Commission said it will determine whether revoking the earlier antidumping duty orders would lead to continuing injury to the U.S. industry.

If the Commission finds the damage is continuing despite revoking earlier antidumping orders, it would reinforce January orders. But if it finds that is not the case, it will revoke the January orders for good. Details concerning the scheduling and conduct of the Commission's changed circumstances reviews are being developed and will be announced in the near future, the ITC said.

On January 6, the Commission determined that the shrimpers industry in the U.S. was being hurt by imports of certain non-canned warmwater shrimp and prawns from Brazil, China, Ecuador, India, Thailand and Vietnam that were being sold in the U.S. at less than fair value. ■

# LEH

## Land of Endless Discovery



**A**midst the snow-capped hills of the Himalayas lies the lovely holiday destination of Leh. Situated at a height of over 3,500 metres, Leh is the principal town of the Ladakh region on the eastern side of Jammu and Kashmir state to which it belongs. Leh is watered by the Zaskar river, which flows into the Indus river to the south.

A major centre of Tibeto-Buddhist culture, Leh, with its colourful *gompas* (monasteries), has for long attracted devout Buddhists from all over the

globe. Besides, Leh's rugged mountainous terrain makes it an ideal hiking destination and attracts hikers and nature lovers from far and wide.

This hill resort town is dotted with tourist attractions. An important landmark is the nine-storeyed Namgyal Palace, popularly known as the Leh Palace, which served as the royal residence during the 17th century but now lies in ruins.

Close to the Leh Palace atop the Namgyal hill stands the Namgyal Tsemo, or the Victory Tower, which was built by King Tashi Namgyal to commemorate





Ladakh's victory over the Balti Kashmir armies in the early 16th century that led to the reunification of Upper and Lower Ladakh.

Leh became the regional capital during the reign of King Sengge Namgyal, who ruled Ladakh during the 17th century. Sengge Namgyal's reign coincided with the golden period of Ladakh that saw Leh blossom into one of the busiest markets on the Silk Route.

Other attractions in and around the town include colourful *gompas*, like the Namgyal Tsemo Gompa, Soma Gompa and the Sankar Gompa. One can pick up souvenirs of local handicrafts and traditional clothes from the Ladakh Festival or from the bustling bazaar.

Leh has doubled in size and is a far cry from the sleepy Himalayan town it was in the early 1970s. Nonetheless, the town has retained a more tranquil side, and is a pleasant place to unwind. One can, for instance, meditate at the Mahabodhi Meditation Centre.

Adventure buffs can indulge in activities like hiking, trekking, river rafting at River Zaskar, polo and archery.

Atop the Shanti Stupa one can get a better view of exotic neighbouring locales. Leh is also a good base for day trips out into the Indus Valley. Among the string of picturesque villages and *gompas* within reach by bus are Shey and the spectacular Tikse Gompa.



## TOURIST INFORMATION

### How to Get There

**By Air:** Leh is well connected with important places in India. Regular flights link Leh with Delhi, Jammu and Srinagar. There are direct flights once a week from Leh to Srinagar and twice a week to Jammu.

**By Road:** Land routes connect Leh with Srinagar. The road is usually open from June to October, while the Leh-Manali route is open from July to September.

### Climate

**Winter:** Freezing cold with temperatures touching as low as minus 30 degrees Celsius.

**Summer:** Maximum temperature can range from 20 degrees Celsius to 38 degrees Celsius in July and August. The relative humidity is low and ranges from 31 to 64 percent.

### Best time to visit

June to September.

### Where to Stay

Hotel De-Wa-Chan Continental  
Hotel Khangri  
Hotel Shambha-La  
Hotel Rafica

For more information, visit  
[www.leh.nic.in](http://www.leh.nic.in)



KIRAN JAGGA

## EMBASSY OF INDIA

2107 Massachusetts Avenue NW, Washington, D.C. 20008

Tel: 202-939-7000; Fax: 202-462-7276

E-mail: [indembwash@indiagov.org](mailto:indembwash@indiagov.org)

Web-site: [www.indianembassy.org](http://www.indianembassy.org)

## CONSULATES

Consulate General of India  
3 East, 64th Street,  
New York  
N.Y. 10021

Tel: 212-774-0600

Fax: 212-861-3788

E-mail:

[indiacgny@aol.com](mailto:indiacgny@aol.com)

Web-site:

[www.indianconsulateny.org](http://www.indianconsulateny.org)

Consulate General of India  
540 Arguello Boulevard  
San Francisco  
CA 94118

Tel: 415-668-0662

Fax: 415-668-2073

E-mail:

[info@indianconsulate-sf.org](mailto:info@indianconsulate-sf.org)

Web-site:

[www.indianconsulate-sf.org](http://www.indianconsulate-sf.org)

Consulate General of India  
455 North Cityfront Plaza  
Drive (NBC Tower Building)  
Suite #850 Chicago, IL 60611

Tel. 312-595-0405 to 0410

Fax. 312-595-0416

E-mail:

[cg@indianconsulate.com](mailto:cg@indianconsulate.com)

Web-site:

[chicago.indianconsulate.com](http://chicago.indianconsulate.com)

Consulate General of India  
1990 Post Oak Blvd. # 600  
3 Post Oak Central  
Houston, TX 77056

Tel. 713-626-2148/49

Fax. 713-626-2450

E-mail:

[cgi-hou@swbell.net](mailto:cgi-hou@swbell.net)

Web-site:

[www.cgihouston.org](http://www.cgihouston.org)

Printed and Published by the Press & Information Office, Embassy of India, 2107 Massachusetts Avenue,  
NW Washington, D.C., 20008

Telephone: 202-939-7065, Fax: 202-462-7276

E-mail: [indembwash@indiagov.org](mailto:indembwash@indiagov.org) Web-site: [www.indianembassy.org](http://www.indianembassy.org)