



Prime Minister Vajpayee in the United States

Shri Atal Bihari Vajpayee, Prime Minister of India will pay an official visit to the United States and will be in Washington, DC from September 13-17, 2000. Prime Minister Vajpayee will arrive in Washington after attending the UN Millennium Summit in New York. In Washington, the Prime Minister will hold talks with President Clinton and address the joint session of the U.S. Congress. The Prime Minister will also dedicate the Mahatma Gandhi Memorial in Washington, DC.



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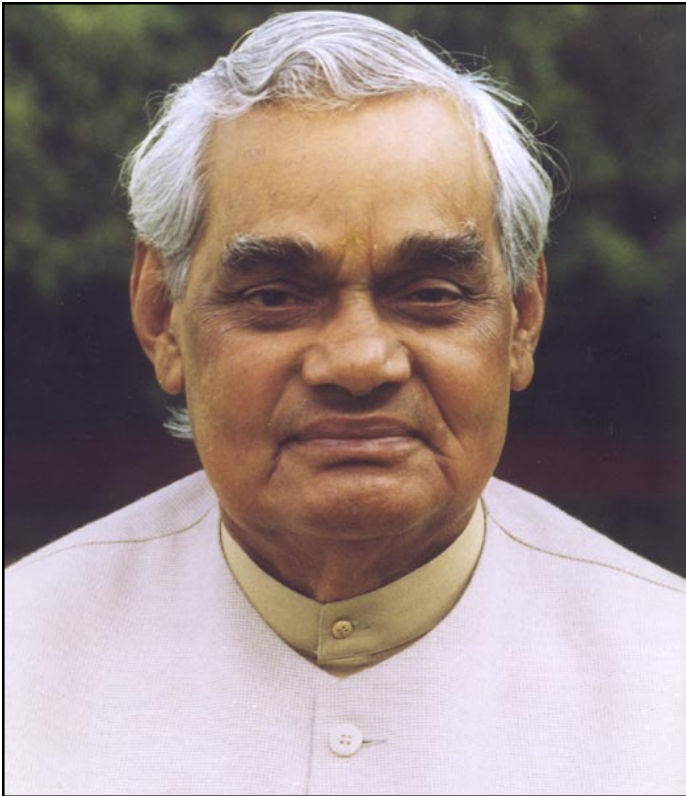
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A Profile

Prime Minister Atal Bihari Vajpayee

A man of the masses, firm in his political convictions. India has an inspiring leader in Atal Bihari Vajpayee.



On October 13, 1999, he took charge as Prime Minister of India for the second consecutive term at the head of a new coalition government, the National Democratic Alliance. He was Prime Minister for a short period in 1996. He is the only Prime Minister since Pandit Jawaharlal Nehru to have become Prime Minister of India through three successive mandates.

A veteran Parliamentarian whose career stretches over four decades, Shri Vajpayee has been elected to the Lok Sabha (House of the People) nine times and to the Rajya Sabha (House of the States) twice, a record by itself. As India's Foreign Minister, Chairperson of various important Standing Committees of Parliament and Leader of Opposition, he has been an active participant in the shaping of India's post-Independence domestic and foreign policy.

Shri Vajpayee's first brush with nationalist politics was in his student days when he joined the Quit

India Movement of 1942, which hastened the end of British colonial rule. A student of political science and law, it was in college that he developed a keen interest in foreign affairs — an interest he has nourished over the years and put to skillful use while representing India at various multilateral and bilateral fora.

Shri Vajpayee had embarked upon a journalist's career, which was cut short in 1951 when he joined the Bharatiya Jana Sangh, the forerunner of today's Bharatiya Janata Party, the leading component of the National Democratic Alliance. A critically acclaimed poet, he still takes time off from affairs of state to indulge in music and in a bit of gourmet cooking.

Born in the family of a humble school teacher on December 25, 1924, in the erstwhile princely State of Gwalior (now a part of the Indian state of Madhya Pradesh), Shri Vajpayee's rise in public life is a tribute to both his political acumen and Indian democracy. Over the decades, he has emerged as a leader who commands respect for his liberal worldview and commitment to democratic ideals.

An ardent champion of women's empowerment and social equality, Vajpayee believes in a forward-looking, forward moving India, a strong and prosperous nation confident of its rightful place in the comity of nations. He stands for an India anchored in 5000 years of civilizational history, ever modernizing, ever renewing, and ever re-energizing itself to meet the challenges of the next 1000 years.

India's second highest civilian honor, the Padma Vibhushan, was conferred upon him in recognition of his selfless dedication to his first and only love, India, and his more than half-a-century of service to society and the nation. In 1994, he was named India's 'Best Parliamentarian.' The citation read: "True to his name, Atalji is an eminent national leader, an erudite politician, a selfless social worker, forceful orator, poet and litterateur, journalist and indeed a multi-faceted personality... Atalji articulates the aspirations of the masses... his works ever echo total commitment to nationalism.

India-U.S. Relations: A Vision for the 21st Century

AT the dawn of a new century, President Clinton and Prime Minister Vajpayee resolve to create a closer and qualitatively new relationship between the United States and India.

We are two of the world's largest democracies. We are nations forged from many traditions and faiths, proving year after year that diversity is our strength. From vastly different origins and experiences, we have come to the same conclusions: that freedom and democracy are the strongest bases for both peace and prosperity, and that they are universal aspirations, constrained neither by culture nor levels of economic development.

There have been times in the past when our relationship drifted without a steady course. As we now look towards the future, we are convinced that it is time to chart a new and purposeful direction in our relationship.

Globalization is erasing boundaries and building networks between nations and peoples, economies and cultures. The world is increasingly coming together around the democratic ideals India and the United States have long championed and lived by.

Together, we represent a fifth of the world's people, more than a quarter of the world's economy. We have built creative, entrepreneurial societies. We are leaders in the information age. The currents of commerce and culture that link our societies run strong and deep. In many ways, the character of the 21st century world will depend on the success of our cooperation for peace, prosperity, democracy and freedom.

That presents us with an opportunity, but also a profound responsibility to work together. Our partnership of shared ideals leads us to seek a natural partnership of shared endeavors.

In the new century, India and the United States will be partners in peace, with a common interest in and

complementary responsibility for ensuring regional and international security. We will engage in regular consultations on, and work together for, strategic stability in Asia and beyond. We will bolster joint efforts to counter terrorism and meet other challenges to regional peace. We will strengthen the international security system, including in the United Nations, and support the United Nations in its peace-keeping efforts. We acknowledge that tensions in

South Asia can only be resolved by the nations of South Asia. India is committed to enhancing cooperation, peace and stability in the region.

India and the United States share a commitment to reducing and ultimately eliminating nuclear weapons, but we have not always agreed on how to reach this common goal. The United States believes India should forgo nuclear weapons. India believes that it needs to maintain a credible minimum

nuclear deterrent in keeping with its own assessment of its security needs. Nonetheless, India and the U.S. are prepared to work together to prevent the proliferation of nuclear weapons and their means of delivery. To this end, we will persist with and build upon the productive bilateral dialogue already underway.

We reaffirm our respective voluntary commitments to forgo further nuclear explosive tests. We will work together and with others for an early commencement of negotiations on a treaty to end the production of fissile materials for nuclear weapons. We have both shown strong commitments to export controls, and will continue to strengthen them. We will work together to prevent the spread of dangerous technologies. We are committed to build confidence and reduce the chances of miscalculation. We will pursue our security needs in a restrained and responsible manner, and will not engage in nuclear and missile arms races. We will seek to narrow our

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Photo By: S.S. Bhoria

The President of the United States of America, Mr. William J. Clinton and the Prime Minister Shri Atal Bihari Vajpayee exchanging the signed documents on "India-U.S. Relations. A Vision for the 21st Century", in New Delhi on March 21, 2000.



differences and increase mutual understanding on non-proliferation and security issues. This will help us to realize the full potential of Indo-U.S. relations and contribute significantly to regional and global security.

The true measure of our strength lies in the ability of our people to shape their destiny and to realize their aspirations for a better life. That is why the United States and India are and will be allies in the cause of democracy. We will share our experience in nurturing and strengthening democratic institutions the world over and fighting the challenge to democratic order from forces such as terrorism. We will cooperate with others to launch an international Community of Democracies this year.

The United States applauds India's success in opening its economy, its achievements in science and technology, its commitment to a new wave of economic expansion and reform, and its determination to bring the benefits of economic growth to all its people. Our nations pledge to reduce impediments to bilateral trade and investment and to expand commerce between us, especially in the emerging knowledge-based industries and high-technology areas.

We will work together to preserve stability and growth in the global economy as well. And we will join in an unrelenting battle against poverty in the world, so that the promise of a new economy is felt everywhere and no nation is left behind. That is among the fundamental challenges of our time. Opening trade and resisting protectionism are the best means for meeting it. We support an open, equitable and transparent rule-based multilateral trading system, and we will work together to strengthen it. We agree that developed countries should embrace policies that offer developing countries the opportunity to grow, because growth is the key to rising incomes and rising standards. At the same time, we share the conviction that human development also requires empowerment of people and availability of basic freedoms.

As leaders in the forefront of the new high-technology economy, we recognize that countries can achieve robust economic growth while protecting the environment and taking action to combat climate change. We will do our part to meet the global environmental challenges, including climate change and the impacts of air and water pollution on human health.

We also pledge a common effort to battle the infectious diseases that kill people and retard progress in

so many countries. India is at the forefront of the global effort that has brought us to the threshold of the eradication of polio. With leadership, joint research, and application of modern science, we can and will do the same for the leading killers of our time, including AIDS, malaria and tuberculosis.

We are proud of the cooperation between Indians and Americans in advancing frontiers of knowledge. But even as we unravel the mysteries of time and space, we must continue to apply our knowledge to older challenges: eradicating human suffering, disease and poverty. In the past, our cooperation helped ease mass hunger in the world. In the future, it will focus as well on the development of clean energy, health, and education.

Our partnership is not an end in itself, but a means to all these ends. And it is reinforced by the ties of scholarship, commerce, and increasingly of kinship among our people. The industry, enterprise and cultural contributions of Americans of Indian heritage have enriched and enlivened both our societies.

Today, we pledge to deepen the Indian-American partnership in tangible ways, always seeking to reconcile our differences through dialogue and engagement, always seizing opportunities to advance the countless interests we have in common. As a first step, President Clinton has invited Prime Minister Vajpayee to visit Washington at a mutually convenient opportunity, and the Prime Minister has accepted that invitation. Henceforth, the President of the United States and the Prime Minister of India should meet regularly to institutionalize our dialogue. We have also agreed on and separately outlined an architecture of additional high-level consultations, and of joint working groups, across the broad spectrum of areas in which we are determined to institutionalize our enhanced cooperation. And we will encourage even stronger people-to-people ties.

For India and the United States, this is a day of new beginnings. We have before us for the first time in 50 years the possibility to realize the full potential of our relationship. We will work to seize that chance, for our benefit and all those with whom we share this increasingly interdependent world.

Atal Bihari Vajpayee
Prime Minister of India

William Jefferson Clinton
President of the United States of America

Done on March 21, 2000 at New Delhi



India-U.S. Relations: General Overview

THE visit to India in March 2000 by U.S. President Bill Clinton provided an opportunity for both countries to open a new and qualitatively different chapter in their bilateral relations. Prime Minister Atal Bihari Vajpayee will be visiting the United States in mid-September, 2000. The visit is expected to build upon and consolidate the gains of President Clinton's visit to India.

Evolution of the relationship

India and U.S. are the world's two largest democracies. Natural affinities between the two countries have always existed, characterized by shared democratic values and common commitment to rule of law and basic freedoms, common language and longstanding cooperation in the economic, commercial and agricultural fields.

The end of the Cold War in 1990s, coinciding with the liberalization of the Indian economy, saw a steady improvement in India-U.S. relations with the Clinton Administration identifying India as one of the 10 major emerging markets.

President Clinton was warmly and enthusiastically received wherever he went in India. The visit was covered extensively in the Indian audiovisual and print media. The general impression he left behind was of a genuine desire on his part to set in motion a new, forward-looking and productive partnership between the two countries.

Outcome of President Clinton's visit

The Vision Statement signed by Prime Minister Vajpayee and President Clinton provides a blueprint and sets out the direction for the new partnership in the coming years. Among the objectives to which both countries are committed are the fight against terrorism, prevention of proliferation of nuclear weapons and their means of delivery, the preservation of stability and growth in the global economy, the protection of the environment, combating infectious diseases and expanding trade especially in the emerging knowledge-based industries and high technology areas.

India and the United States have agreed on a wide ranging institutional dialogue which includes regular

summit meetings between the U.S. President and the Indian Prime Minister, annual foreign policy dialogue at the level of Secretary of State and External Affairs Minister, Foreign Office consultations at senior officials level, a bilateral economic dialogue which would be coordinated by the Prime Minister's Office and Ministry of External Affairs on the Indian side and White House and State Department on the U.S. side, the establishment of a U.S.-India Financial and Economic Forum, a U.S.-India Commercial Dialogue and a U.S.-India Joint Working Group on terrorism.

Implementation of the institutional dialogue has already commenced. Prime Minister Vajpayee would be visiting Washington in September 2000. External Affairs Minister Jaswant Singh and Secretary of State Madeleine Albright held a structured bilateral dialogue during the Conference "Towards a Community of Democracies" in Warsaw on June 26, 2000. Under Secretary of State Thomas Pickering visited Delhi on May 24-25, 2000 for consultations with the Indian Foreign Secretary Lalit Mansingh.

During his visit to Washington for the World Bank/IMF meetings in April, Finance Minister Yashwant Sinha and Treasury Secretary Larry Summers signed an agreement setting up an India-U.S. Financial Forum. During President Clinton's visit, the Commerce Minister Murasoli Maran and U.S. Commerce Secretary William Daley signed an Agreement establishing a new commercial dialogue. A Science and Technology Forum and Joint Consultative Group on Energy and Environment have also been established.

Economic and Trade Relations

Bilateral trade between the two countries exceeded U.S. \$12 billion in 1999. There was a decline in FDI inflows from the U.S. in 1998 (U.S. \$349 million as against U.S. \$719 million in 1997). There was an upward trend in 1999, with FDI inflows in the first four months of the year itself amounting to U.S. \$186 million. The waiver of sanctions and the opening up of the insurance sector in India are likely to further increase FDI inflows into India in the near future. During a visit to Washington in April 2000, Finance Minister Yashwant Sinha and Treasury Secretary Mr. Lawrence Summers agreed on the terms of reference of an India-U.S. Financial and Economic Forum.

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President Clinton's visit to India in March 2000 - the follow-up

March 2000: Minister of Commerce and Industry and U.S. Commerce Secretary constituted the India-U.S. Commercial Dialogue during the visit of President Clinton.

April 2000: The India-U.S. Financial and Economic Forum was constituted during the visit of Finance Minister to Washington.

The High Level coordinating group for Indo-U.S. Economic Dialogue has been constituted on the Indian side. The U.S. has yet to communicate membership of the High Level coordinating group on the U.S. side.

May 2000: Mr. Thomas Pickering, U.S. under Secretary of State for Political Affairs, visited India for the Foreign Office Consultations and the Asian Security Dialogue, with Foreign Secretary Lalit Mansingh. Extensive consultations were also held on Sri Lanka, Fiji and Sierra Leone.

May 2000: Discussions were held in May in Washington on Mutual Legal Assistance Treaty.

June 2000: External Affairs Minister met U.S. Secretary of State Madeleine Albright in Warsaw, where both were participating in the Meeting of the Community of Democracies.

June 2000: The Science and Technology Forum was set up.

July 2000: The Joint Consultative Group on Energy and Environment held its first meeting in Washington.

September 2000: The second meeting of the Joint Working Group on Counter-terrorism will be held in Delhi. In April, the two sides met in Washington to discuss the Indian Draft UN Comprehensive Convention on Terrorism.

Science and Technology Cooperation

India and the U.S. had been operating as far back as the 1950's one of the largest collaborative programs in the field of science and technology. An agreement on setting up the Science and Technology Forum was concluded during President Clinton's visit in March 2000.

Energy and Environment

External Affairs Minister Jaswant Singh and Secretary of State Madeleine Albright signed a joint statement on cooperation in energy and environment during President Clinton's visit to India. A joint working group, set up within the framework of the statement, held its first meeting in Washington in July 2000.

Indian-American Community

The million-strong Indian-American community in the U.S. provides a strong bond between India and the

U.S. It is notable in the San Francisco-Los Angeles, New York-New Jersey, Chicago, Detroit, Houston, Atlanta, Miami-Orlando-Tampa and the greater Washington D.C. area. While the first wave of Indian immigrants to the U.S. in the 1960s and 1970s were professionals like doctors, scientists and engineers, recent trends show substantial diversification of skills. Indian Americans, who have organized themselves into a large number of associations and organizations, are playing an important role in deepening and strengthening cooperation between India and the United States.

Prospects

President Clinton's visit has given a new beginning to India-U.S. relations and has opened up opportunities of greater cooperation both in the bilateral sphere and in multilateral forums. The visit of the Prime Minister of India to the United States in September 2000 provides an opportunity for a further broadening and deepening of the bilateral relations.



India-U.S. Economic Relations

ECONOMIC reforms introduced in 1991 have radically changed the course of the Indian economy and led to its gradual integration with the global economy. Benefits of the reform process are visible in the form of better growth rates, higher investment and trade flows.

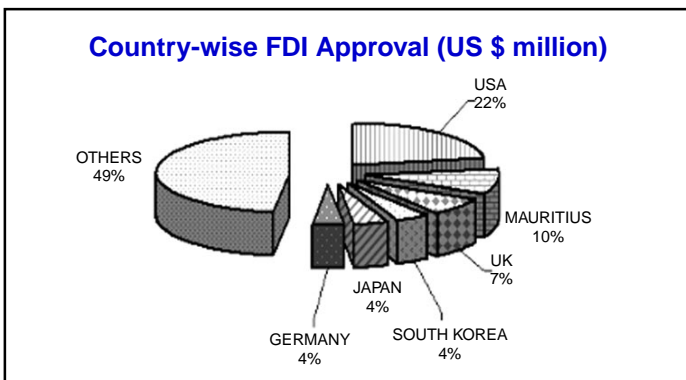
The effect of these reforms on trade and investment relations with the United States has been profound. It is now not only the largest investor country in India, it is also India's largest trading partner.

Indian economy today - a brief overview

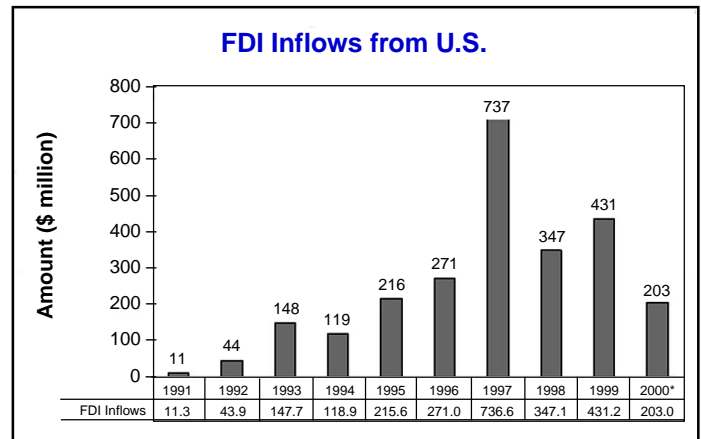
India is among the fastest growing economies of the world today, with a growth rate of Gross Domestic Product (GDP) of 7% during the last 10 years. During 1999-2000 (April-March), GDP registered a 6.4% growth. Industrial production increased by 8%. The performance of infrastructure sector improved significantly. Inflation rate was a nominal 2-3% for the first time in decades. Exports, in terms of U.S. dollars, increased by 11.6%. India also continued to maintain a healthy balance of payments with foreign exchange reserves increasing by \$6.1 billion during the year to over \$35 billion. All indications are that the economy will continue to maintain its strong showing during the current fiscal year with exports recording a growth of over 28% and industrial production of 5.6% during the first quarter (April-June 2000).

U.S. Investments in India

U.S. accounts for 22% of all foreign direct investment (FDI) approved in India (This excludes Euro issues and NRI investments). Between 1991 and June 2000, out of the \$63.1 billion foreign direct investments approved, the US constituted \$14.2 billion.

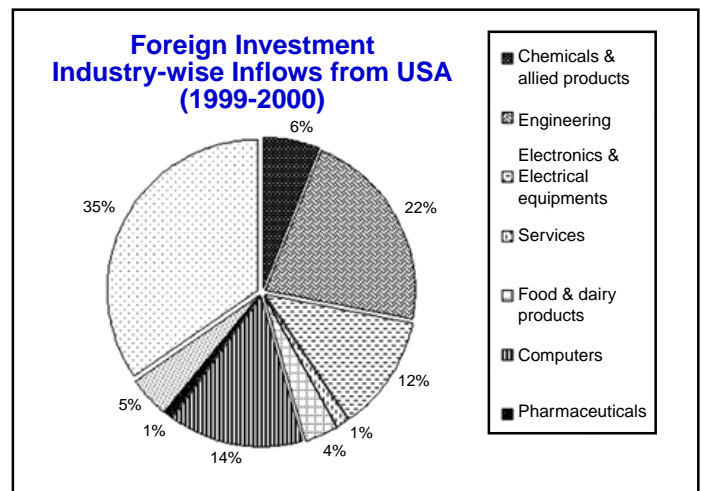


U.S. is also the largest investor in terms of actual FDI inflow into India. U.S. FDI inflow was about \$2.5 billion between 1991 and June 2000 against a total FDI inflow into the country of \$21.3 billion. The overall U.S. FDI inflow-approval ratio is 18%. But during the last three years, the ratio has improved to 27%. This has registered a further significant improvement during the first six months of 2000 and reached 33%.



Sectors predominantly attracting U.S. investment are:

- Fuel (Power & Oil Refinery) - 38.93%
- Food Processing Industries - 10.60%
- Telecommunications - 10.35%
- Service Sector (Financial & Non Financial Service) - 9.08%
- Electrical Equipments (Computer software & Electronics) - 8.48%

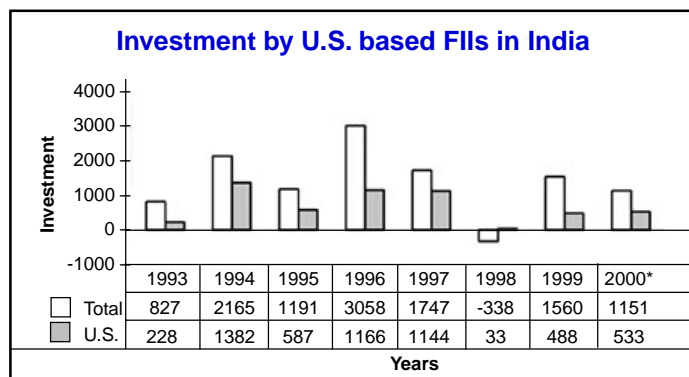


In Portfolio Investment also, U.S. is the leading investor. Out of the 530 Foreign Institutional Investors

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(FIIs) registered with SEBI, 212 are from the U.S. An investment of about \$5.6 billion out of the total \$11.4 billion by the FIIs in the Indian capital markets has been made by these companies. This accounts for about 49% of the total investments made by FIIs since 1993.



U.S. companies in India are involved in every sector that is open to private investment. From infrastructure to consumer goods and from information technology to consultancy services American companies are represented in India. During President Clinton's recent visit to India, memoranda of understanding (MOUs) worth about \$3.5 billion were signed by, among others, Motorola, Hughes Network Systems, Bank of America, IBM, Enron and Ogden Energy.

Economic reforms in India:

The Government of India has renewed its commitment to expand the reform process in order to generate and sustain higher economic growth. In the past eleven months, a number of new initiatives have been taken. These include:

- The passage of the Insurance Bill opening India's insurance sector to private investors and setting up the Insurance Regulatory and Development Authority (IRDA);
- Replacing the Foreign Exchange Regulation Act (FERA) with a more investor friendly Foreign Exchange Management Act (FEMA);
- The passage of the new Information Technology (IT) Bill;
- Creation of special economic zones to boost exports and removal of quantitative restrictions on 714 additional items.

Several trade-related legislations have also been passed such as the Trade Marks Bill, Geographical Indications of Goods (Registration & Protection) Bill, and the Copyright (Amendment) Bill, in order to meet WTO requirements. Norms for Foreign Direct

Investments have been further liberalized and procedures streamlined. India has now moved to a system where most investment proposals are approved automatically.

Prospects for further India-U.S. economic cooperation:

There are several areas where economic cooperation between India and the U.S. can progress further. These include IT, telecom, energy and other knowledge industries such as pharmaceuticals and bio-technology.

The IT sector is India's fastest growing sector with over 50% average annual growth since 1991. The turn over of the sector has increased from \$2 billion in 1994-95 to \$8.7 billion in 1999-2000. Today, nearly two in five of the Fortune 500 companies outsource their software requirements to India. As a consequence, there has been remarkable growth in India's software exports too, from \$485 million in 1994-95 to \$4 billion today. The share of North America (U.S. & Canada) in India's software exports is about 62%. During 1999-2000, U.S. investment in the computer industry in India accounted for over 50 % of the total FDI inflow received by this sector.

Abundant investment opportunities exist for further strengthening India-U.S. economic ties in IT, especially, in areas like communication infrastructure, optic fiber cable, gateways, satellite-based communication wireless, IT-enabled services, IT enabled education, data centers and server farms, and software development.

Pharmaceuticals, biotechnology and chemical industries also provide great opportunities for closer cooperation. The Finance Minister of India, Mr. Yashwant Sinha stated during his recent visit to USA that one of the most important areas where there is a tremendous synergy between Indian and American enterprises are knowledge based projects and services where both the countries have competitive advantage as exporters. This is substantiated by the fact that India is one of the largest manufacturers and exporters of pharmaceuticals. It has a rich genetic pool and a large family structure ideal for studying diseases. It also holds the key for Genotype Drug Design and is widely acclaimed for its large pool of trained doctors and cost effective research & development (R&D) activities.

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India-U.S. Economic Relations

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India's energy sector has been an attractive destination for US investments. The sector offers for exploitation a vast untapped potential in hydro electricity, oil & natural gas, and coal. Although several U.S. companies have been looking at the Indian energy market closely, progress has so far been limited, given the gradual opening up of the sector. The government of India has, however, now simplified considerably the norms for entering into the exploration activities, generation, transmission and distribution of power, and captive coal mining & processing. Considering the vast demand and supply gap in the energy sector in India, there is a tremendous potential here for economic cooperation between the two countries.

During President Clinton's visit to India, the two countries signed a joint statement on cooperation on energy and environment issues, outlining a common agenda on clean energy development and environmental protection. Subsequently, a Joint Consultative Group on Clean Energy and Environment was set up, which met in Washington, DC in July. The Group looked at possible collaborative projects to develop and implement clean energy technologies with public and private sector investment. Another key area of bilateral cooperation is renewable energy. During President Clinton's visit, an MOU was signed between the Indian Ministry of Non-Conventional Energy Sources and the United States Department of Energy.

India's Telecommunication sector, already a major recipient of U.S. investment, is expected to continue to provide substantial opportunities to U.S. investors. Though the telecommunications industry has been growing over 20% for the past few years, India has a tele density of only 2.7%. Over the next decade, more than 175 million lines are required to meet the demand of basic telecom service in India. This translates into an investment requirement of U.S. \$70 billion in the basic services alone. Apart from the basic service segment, India has a subscriber base of nearly 1.6 million in cellular phone industry, 0.8 million in radio paging and 1.4 million in Internet services. These segments are growing at an average growth rate of over 50 % for the past few year. With the objective of achieving tele-density of 7 by 2005 and 15 by 2010, Government of India has ushered in several new measures to promote investment through greater private sector participation in this sector.

These measures include:

- Announcement of the New Telecom Policy 1999 (NTP)
- Simplification of the revenue sharing arrangements
- Streamlining of the functioning of Telecom Regulatory Authority of India (TRAI)
- Establishment of a separate Telecom Disputes Settlement and Appellate Tribunal (TDSAT)
- Introduction of new provisions for infrastructure sharing by telecom service providers/public utilities
- Opening of the national long distance services to private service providers
- Proposed opening of international long distance services by 2004

The government has also introduced a liberal policy for Internet Service Providers (ISP), which puts no restriction on number of internet service providers, imposes no license fee for the first five years and allows ISPs to set up their own gateways. Keeping in view the rapid convergence of telecom, Internet and entertainment, a new comprehensive statute, to replace the Indian Telegraph Act (1885) is under way. The draft Convergence Bill envisages setting up of an independent carriage and content bureau apart from the office of the spectrum manager to bring the regulatory framework for all these services beneath one umbrella.

Another area where closer economic ties can yield mutual benefits is the infrastructure sector. The Government of India is continuously reviewing its policies to create an investor friendly environment in sectors such as roads, ports and airports. Private sector participation in Build, Operate and Transfer (BOT) projects, greenfield airports and terminals and shipping berths and capacity augmentation has been initiated.

Institutionalizing the growing economic ties

The 'Vision Statement' signed by the Prime Minister Vajpayee and President Clinton envisions a broader dialogue between the two countries on economic policy issues. Pursuant to this objective, Mr. Yashwant Sinha, Finance Minister of India and Mr. Lawrence Summers, U.S. Treasury Secretary, signed an agreement in April 2000 to set up the India-United States Financial and Economic Forum. The objective of the Forum is to strengthen the financial and economic relationship between the two countries through regular government-to-government meetings of the economic policy makers.

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India-U.S. Relations: Science & Technology

S&T cooperation between India and USA is characterized by over five decades of successful and productive exchange of scientists and scientific ideas, joint/collaborative research projects, training/fellowship programs and technology transfer in virtually all areas of Science & Technology.

In the late 1950's, Indian and American scientists began to collaborate on agricultural research. This activity was expanded in the 1960's into other fields of science and education.

Visible Institutional Symbols:

The Indian Institute of Technology, Kanpur, an internationally renowned institute for technical education and research, was set up with U.S. cooperation.

Punjab Agricultural University, Ludhiana, which played a pivotal role in India's green revolution in 1960's, successful collaboration with Ohio State University, USA.

The National Council of Educational Research and Training (NCERT)-an apex body for education-was set up with American collaboration.

Some Milestones:

1974: The S&T Sub-commission was established within the Indo-US Joint Commission on Economics and Commerce, Science & Technology, Education & Culture, and Agriculture. The S&T Sub-Commission had seven Working Groups in different areas: Material & Physical Sciences, Earth Sciences, Atmospheric & Marine Sciences, Energy, Environment Ecology, Information S&T, Health, Medical and Life Sciences.

1983: A new fast track cooperation program, the S&T Initiative (STI), was established to enhance cooperation in areas of agriculture, health, monsoon research, biomass research and engineering, and solid state sciences, The National Science Foundation (NSF), USA and the Department of Science & Technology (DST), India, were the nodal agencies in implementing the program, which operated on cost sharing basis. The U.S. side unilaterally discontinued the program in 1991.

1987: The U.S.-India Fund (USEF) was established to carryout joint activities such as workshops exchange of scientists and experts, joint research programs in fields of educational, cultural and sciences. USIF was

initially set up for ten years but was extended by a year. The Indian scientific community benefited from this program, with more than 50 workshops and about 140 joint scientific projects. As of December 1998, there were more than 200 ongoing projects with cumulative cost of Rs. 645 million.

1987: An MOU is signed for the *Vaccine Action Program* under the Health, Medical and Life Sciences Working Group of the U.S.-India S&T Sub-Commission. The program is now in its third phase, and is extended until 2002. The last meeting of the Joint Working Group was held in July 2000, in Washington, DC to identify the focus areas for further research in vaccine development and allied areas. A similar program exists on cooperation on contraceptive and reproductive health research.

1991: The S&T fellowship program supported by U.S. Agency for International Development (USAID) and Department of Science & Technology, Government of India. Under this program 70 Indian scientists spent 3-12 months in the USA and 10 US scientists came to India. The program continued till 1994.

1993: Indo-U.S. S&T agreement is proposed but could not be signed due to differences over intellectual property rights provisions.

1997: The Vaccine Action Program is extended up to 2002.

1997: A Memorandum of Understanding (MOU) for scientific cooperation in the area of Earth and Atmospheric Sciences was signed between the Department of Space (DOS) and the Department of Science and Technology (DST) of the Government of India and the National Aeronautics and Space Administration (NASA) and the National Oceanic and Atmospheric Administration (NOAA) of the United States on December 16, 1997.

Specific areas of cooperation include weather analysis and forecasting techniques; satellite product development for atmospheric, land and ocean parameters, applications to flood forecasting and drought monitoring.

The MOU provides for exchange of data and derived products between the two countries from Indian National Satellite (INSAT) as well as Geostationary

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Science & Technology

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Operational Environmental Satellite (GOES) of the USA, in near real time over dedicated telecommunication links to be specially set up between India and the USA.

1997: A collaborative research program was initiated between Department of Science & Technology (India) and the National Science Foundation (USA). This program supports workshops and joint research projects in fundamental areas of science and technology (excluding medical sciences). At present there are 11 ongoing joint projects and all these projects have been funded during financial year 1999-2000.

1998: A Memorandum of Understanding between Indian Council of Agricultural Research (ICAR), New Delhi and The Cornell University, New York for cooperation in the area of Agricultural Research was signed on November 3. There will also be an exchange of germplasm and breeding material, as well as scientific literature, information and methodology.

ICAR had signed a similar MOU with Iowa State University during early 1998. Earlier, a Memorandum of

Agreement was signed with the Texas Agricultural Experiment Station, Texas A&M University, Texas, on July 5, 1997, for cooperation in the field of agricultural research. The first work-plan for the biennium 1998-99 in pursuance of the Memorandum of Agreement was signed on December 12, 1997, in New Delhi.

1998: Department of Electronics, Government of India signed an agreement with Carnegie Mellon University (CMU), Pittsburgh for collaboration in software Process Improvement Technologies in November. Under this Agreement, the Center for Information Systems Engineering (CISE) of CMU will work with the Indian software community to introduce software process improvement technologies in India.

2000: An agreement was signed for setting up of Indo-U.S. S&T Forum during the visit of President Clinton to India in March. The Forum will promote research and development, transfer of technology, creation of a comprehensive electronic reference source and the electronic exchange and dissemination of information on Indo-U.S. S & T cooperation. The Forum has been registered as a Society with the Office of the Registrar of Societies in New Delhi on June 23, 2000.

India-U.S. Relations: Space

- In the early 1960's, the United States had offered substantial assistance to India in setting up an *Equatorial Rocket Launching Station* at Thumba (TERLS). Subsequently, India dedicated this facility to the United Nations in 1968. Since then, scientists from various countries have launched more than 3000 sounding rockets for research purposes.
- During 1975-76, under a collaborative bilateral agreement, an experiment, *Satellite Instrumental Television Experiment (SITE)* was conducted. Under this agreement, a U.S. satellite, ATS-6, beamed educational programs to direct reception television sets to 2400 far flung villages exposing them to a new and immensely powerful medium of television.
- *Anuradha*, an Indian experiment for cosmic ray studies was part of NASA's third Spacelab mission.
- The Indian Institute of Geomagnetism (IIG) and Survey of India have made use of data received from NASA's MAGSAT Satellite for research and analysis.
- India has also participated in Guest Investigator Program of NASA's Einstein and HEAO-B X-ray astronomy satellites.
- The United States supplied samples of lunar material collected by its lunar probes to India for research purposes.
- Under a Memorandum of Understanding between India and U.S. signed in 1977, India received data from LANDSAT satellites.
- Under a commercial arrangement, Space Imaging of Denver, CO markets the Indian Remote Sensing satellite imageries of panchromatic resolution of 5m - which until recently has been the best available in the public domain.
- In 1997, NASA & NOAA of United States and Indian Space Research Organization & the Department of Science and Technology of India have agreed to share meteorological data from India's INSAT satellites. Under this agreement, collaborative research in the area of earth & atmospheric sciences will also be undertaken.



India-U.S. Relations: Trade

THE United States is India's largest trading partner and export destination. Two way trade in 1999 totaled U.S. \$12.79 billion reflecting an increase of more than 100% since 1992. India-U.S. trade over the last 8 years has been as under:

	1992	1993	1994	1995	1996	1997	1998	1999
India's Exports	3,781	4,551	5,302	5,736	6,169	7,321	8,225	9,083
India's Imports	1,914	2,761	2,296	3,296	3,318	3,616	3,545	3,707
Turnover	5,695	7,312	7,598	9,032	9,487	10,937	11,770	12,790
Balance (+)	1,866	1,790	3,005	2,440	2,851	3,705	4,680	5,376

(U.S. \$ millions) (* Source: U.S. Department of Commerce)

During January-May 2000, India's exports to the U.S. totaled \$4.53 billion, while its imports from U.S. amounted to \$1.53 billion during the same period, resulting in a positive trade balance of \$3 billion.

Growth Rate

India's exports to the U.S. increased by 10.44% in 1999, compared to 12.34% in 1998. Imports from the U.S. grew by 4.59% during 1999 compared to a decline of 1.96% in 1998. During January-May 2000, our exports to the U.S. increased by 27% as compared to the same period last year. Our imports from U.S. on the other hand, grew by only 3%.

India's share in U.S. trade

The volume of India-U.S. bilateral trade remains a small fraction of U.S.'s global trade. While U.S. exports to India account for nearly 12% of India's non-oil imports and U.S. is the destination of 18.9% of India's exports, U.S.'s trade turnover with India constitutes less than 1% of its global trade. Our share in U.S. imports has remained more or less stable over the last 3 years; it was 0.89% during 1999. India ranks 23rd among countries that export to the U.S.

India - U.S. trade composition

The composition of India's exports has undergone a change over the years. Our exports to the U.S. have been rising mainly on account of significant increases in the exports of gems & jewelry, textiles and ready-made garments, machinery, carpets, footwear and leather products, dyes, iron and steel products, chemicals, edible fruit and nuts and spices, coffee and tea.

Six items, namely, textiles and clothing, cut and polished non-industrial diamonds, carpets, shrimps and prawns, footwear, leather goods and cashew nuts, account for about 75% of total Indian exports to the U.S.

There has also been a change in the composition of our imports from the U.S. With India having become self sufficient in food-grains, imports of wheat and edible oil from the U.S. on a regular basis have stopped. Crude oil, which was the second highest import item in 1985, has also been virtually phased out. The chief items imported from the U.S. at present are machinery including project items, fertilizers, aircraft and aeronautical equipment, and organic chemicals.

Institutional framework for co-operation

The main joint business group for private sector co-operation is the U.S.-India Business Council that actively organizes promotional events apart from holding annual meetings. The last annual meeting of the U.S.-India Business Council was held on 12-13 June 2000 in San Francisco. Shri Ram Vilas Paswan, Minister for Communications, Secretary Department of Telecom, Finance Secretary, other government officials and a large business delegation from India, attended the meeting. Round table discussions were held on issues covering power & fuel supply, financial services, trade and investment, chemicals and petrochemicals, communications, transportation and knowledge based industries.

General Electric has taken the initiative to set up an India Interest Group with the Washington-based representatives of some major U.S. Corporations as its members. The India Interest Group, the National Association of Manufacturers and the India-U.S. Joint Business Council are participating in the commercial alliance and are also associated with the Private Sector Working Group of the Sub-Commission.

Visit of President Clinton

The U.S. President, Mr. Bill Clinton, accompanied by a high powered delegation comprising of Commerce Secretary William Daley, State Secretary Madeleine Albright and Ambassador Susan Esserman, visited

See INDIA-U.S. RELATIONS: TRADE, Page 12



India-U.S. Relations: Trade

(Continued from page 11)

India from March 20-24, 2000. On March 21, 2000, President Clinton and Prime Minister Vajpayee issued a joint statement outlining a vision for Indo-U.S. relations for the 21st century.

It envisaged the setting up of a U.S.-India commercial dialogue that would be led by the U.S. Secretary of Commerce and the Minister of Commerce & Industry of India. The dialogue would encompass regular government-to-government meetings to be held in conjunction with private sector meetings. Its aim would be to (a) facilitate trade, and (b) maximize investment opportunity across a broad range of economic sectors including information technology, infrastructure, biotechnology and services. Close contact would be maintained with business associations, and activities will be planned with the benefit of such private sector input, including the establishment of sub-committees to pursue specific projects or sectoral issues of mutual interests.

In pursuance of this agreement, a document for the "Formation of and Terms of Reference for the India-United States Commercial Dialogue" was signed by the U.S. Commerce Secretary Mr. William Daley and the Minister of Commerce and Industry of India Shri Murasoli Maran on March 23, 2000.

The two sides also agreed to set up a U.S.-India Working Group on Trade under which the USTR and Ministry of Commerce and other concerned Ministries/Departments of the Government of India would engage in regular discussion to enhance cooperation on trade policy.

India-U.S. Commercial Dialogue

The U.S. and India signed an agreement for the "Formation of and Terms of Reference for the India-United States Commercial Dialogue" on March 23, 2000 during the visit of President Clinton. The Terms of Reference provided a general framework to guide the development and maintenance of a public sector — private sector dialogue on commerce between India and the U.S. that was envisaged to be an element of a broader economic/commercial dialogue between the two governments. The dialogue would encompass regular government-to-government meetings to be held in conjunction with private sector meetings. Its aim was to (a) facilitate trade, and (b)

maximize investment opportunity across a broad range of economic sectors including information technology, infrastructure, biotechnology and services. This would be a forum where emerging issues affecting bilateral trade could also be discussed.

To ensure regularity in the conduct of the dialogue, the Indian Department of Commerce and the U.S. Department of Commerce would maintain close contact with their private sector enterprises and business associations which would enable them to identify at the beginning of each year, meetings and other events where a substantial number of Indian and U.S. business representatives were expected to participate and where India-U.S. commerce was likely to be a prominent part of the program. Within 90 days of the signing of the above document, the two sides were required to consult each other and develop a plan and procedures to implement the Terms of Reference.

A session of the India-U.S. Commercial Dialogue was held on June 12-13, 2000 in San Francisco during the U.S. IBC annual meeting. It was led by Ambassador Naresh Chandra on the Indian side, and Mr. Patrick Mulloy, Assistant Secretary, U.S. Department of Commerce, on the U.S. side. The Dialogue was further developed during the visit of Commerce Secretary to Washington in July 2000.

India - U.S. Working Group on Trade

As part of the 'Vision Document', India and U.S. agreed to set up a Working Group on Trade under which the USTR and Ministry of Commerce and other concerned Ministries/Departments of the Government of India would engage in regular discussion to enhance cooperation on trade policy. As appropriate, individual trade issues could be examined in greater depth with the participation of other agencies and through creation of sub-groups. The Group is to serve as a locus of consultation on a broad range of trade related issues, including those pertaining to WTO. The group would receive inputs from the private sector as appropriate.

Discussions with USTR in this regard took place during the visit of Commerce Secretary to Washington in July 2000.



Indian Americans – A Story of Achievement

- There are now more than 1.5 million peoples of Indian origin in America. They reflect the multi-ethnic, multi-religious and multi-lingual society of India.
- Indian Americans are represented in many fields including academics and entrepreneurs, doctors and lawyers, engineers and financiers.
- According to the U.S. Census Bureau, Indian American median family income is \$60,093 as against the national median family income of \$38,885. The high income clearly reflects the advanced educational levels achieved by the community.
- More than 87% of Indians in America have completed high school while at least 62% have some college education. As much as 58% of Indian Americans over the age of 25 hold a bachelor's degree or higher.
- High levels of education have also enabled Indian Americans to become a productive segment of the U. S. population, with 72.3% participating in the work force.
- Of these work force participants, 43.6% are employed in managerial and professional specialties.
- Technical, sales, and administrative support occupations constitute another 33.2% of the work force.
- The remaining 23.3% of the population works in other areas, such as operators, fabricators, laborers and precision production.
- More than 5,000 Indian Americans today serve as faculty members in institutions of higher education in the U. S.
- About 300,000 Indian Americans work in technology firms in California's Silicon Valley. They account for more than 15% of high-tech startups in that region. The average income of Indian Americans in that region is estimated to be \$200,000 a year.
- Two Indian Americans — late *Har Gobind Khorana* of Massachusetts Institute of Technology and late *Subrahmanyan Chandrashekhar* of University of Chicago — have been awarded the Nobel Prize, in medicine and physics respectively.
- In deed, the NASA's premier X-ray observatory was named the *Chandra X-ray Observatory* in honor of the late *Subrahmanyan Chandrasekhar*. Known to the world as Chandra, he was widely regarded as one of the foremost astrophysicists of the twentieth century. The observatory was launched into space in July, 1999.
- Dr. Kalpana Chawla added a new chapter to the history of the Indian American community. In 1997, she became the first Indian or Indian American to fly in the U.S. space shuttle. She was part of the Space Shuttle Columbia Flight STS-87.
- The estimated annual buying power of Indian Americans in the United States is around \$20 billion.
- Indian Americans are increasingly beginning to take a more direct role in political activities. They have traditionally exercised the most political influence through their campaign contributions, and are actively involved in fundraising efforts for political candidates on the federal, state and local levels.
- As a result of these activities, together with the growing commercial interest in investment in India, the India caucus in the House of Representatives now numbers 118.



India & Information Technology

THE Indian software industry has grown from a mere U.S. \$150 million in 1991-92 to a staggering U.S. \$5.7 billion (including over \$4 billion worth of software exports) in 1999-2000. No other Indian industry has performed so well against global competition.

The annual growth rate of India's software exports has been consistently over 50 percent since 1991. As per the projections made by the National Association of Software and Services Companies (NASSCOM) for 2000-2001 (April 1, 2000-March 31, 2001), India's software exports would be around \$6.3 billion, in addition to \$2.5 billion in domestic sale.

Indian Software Industry 1995-2000
(U.S. \$ million)

	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01*
Domestic software Market	490	670	920	1250	1700	2450
Software Exports	734	1085	1750	2650	4000	6300
Indian Software Industry	1224	1755	2670	3900	5700	8750

(* Source: NASSCOM Report)

Today, India exports software and services to nearly 95 countries around the world. The share of North America (U.S. & Canada) in India's software exports is about 61 per cent. In 1999-2000, more than a third of Fortune 500 companies outsourced their software requirements to India.

NASSCOM's 1999-2000 survey indicates a reversal in the mode of services offered by India. In 1991-92, offshore services accounted for 5 per cent and on-site services 95% of the total exports. However, during 1999-2000 offshore services contributed over 40 percent of the total exports.

The NASSCOM - McKinsey report on India's IT sector

According to a recently released NASSCOM-McKinsey report, annual revenue projections for India's IT industry in 2008 are U.S. \$87 billion and market openings are emerging across four broad sectors; IT services, software products, IT enabled services, and e-businesses thus creating a number of opportunities

for Indian companies. In addition to the export market, all of these segments have a domestic market component as well.

Other key findings of this report are:

- Software & Services will contribute over 7.5 % of the overall GDP growth of India
- IT Exports will account for 35% of the total exports from India
- Potential for 2.2 million jobs in IT by 2008
- IT industry will attract Foreign Direct Investment (FDI) of U.S. \$4-5 billion
- Market capitalization of IT shares will be around U.S. \$225 billion

The report projects the sector's revenue earnings in 2008 in the following manner:

(\$ US billion)

	India Based	India Centric	Sub total (International)	Domestic	Total	1998
IT Service	23	7*	30	8.5	38.5	2.1
Software Products	8	2	10	9.5**	19.5	0.6
IT-enabled Service	15	2	17	2	19	0.4
E-business	4	1	5	5	10	0.2
Total	50.0	12.0	62.0	25	87	3.3

* Legacy/client server, ERP and package work and Internet all have different proportions of work outside India where revenues are not export revenues.

** Resale of imported products included.

Promotion of IT - governmental incentives:

With the formation of a new ministry for IT, GOI has taken a major step towards promoting the domestic industry and achieving the full potential of the Indian IT entrepreneurs. Constraints have been comprehensively identified and steps taken to overcome them and also to provide incentives. Thus for example, venture capital has been the main source of finance for software industry around the world. However, in India majority of the software units is in the small and medium enterprise sector and there is a critical shortage of venture capital kind of support. In order to alleviate this situation and to promote

Continued on next page



Indian IT industry, the Government of India has set up a National Task Force on IT and Software Development to examine the feasibility of strengthening the industry. The Task Force has already submitted its recommendations, which are under active consideration. Norms for the operations of venture capital funds have also been liberalized to boost the industry. The Government of India is also actively providing fiscal incentives and liberalizing norms for FDI and raising capital abroad.

Recently, an IT committee was set up by the Ministry of Information Technology, Government of India, comprising NRI professionals from the United States to seek expertise and advice and also to step up U.S. investments in India's IT sector. The committee is chaired by the Minister of Information Technology, Government of India, and members include Secretary, Ministry of Information Technology and a large number of important Indian-American IT entrepreneurs.

The group will:

- Monitor global IT developments and refine Indian

IT policy to meet global requirements. Specifically, this will help angel investors, venture creators and incubation;

- Promote the growth of human resource development in the IT sector with the aim of creating quality-based education;
- Promote R&D in the sector by identifying thrust areas and drawing up a blueprint for action.

India's most prized resource in today's knowledge driven economic world is its readily available technical work force. It has the second largest English-speaking scientific professionals in the world, second only to the U.S. It is estimated that India has over 4 million technical workers and over 1,832 educational institutions and polytechnics which train more than 67,785 computer software professionals every year. GOI is stepping up the number and quality of training facilities in the country to capitalize on this extraordinary human resource. It is the knowledge industry that will help take the Indian economy to a sustained higher rate of growth and the policy makers are fully aware of this.

India-U.S. Economic Relations

(Continued from page 8)

The Forum envisages Cabinet level meetings between the Indian Finance Minister and the U.S. Treasury Secretary, who are expected to meet on an annual basis. These meetings are to be supplemented by more detailed exchange of views and experiences through sub-Cabinet level meetings of officials of the two governments with participation of associated agencies like the Securities and Exchange Commission, Federal Reserve Board and the office of the Comptroller of Currency on the U.S. side and the Reserve Bank of India and the Securities and Exchange Board of India on the Indian side. The first sub cabinet level meeting of the forum was held in Washington, DC in June and the cabinet level meeting is scheduled for September 2000.

In a recent report, Ernst & Young, a leading international consulting firm, projected a growth rate of 7-8% for Indian economy in the next few years based on the anticipated performance of new

economy sectors and government policies continuing to emphasise reforms. Growth could be faster, the report stated, if the time lag between policy formulation and implementation is reduced.

The U.S. investor community is today increasingly sharing this confidence in the future of the Indian economy. As the Indian economy grows and second-generation reforms are implemented, Indo-U.S. bilateral ties are bound to strengthen further. The growing synergy between the two countries in the technology sectors and a mutually shared respect for democracy, rule of law and well established business practices make the two countries natural business partners.

The visit of President Clinton to India in March and that of Prime Minister Vajpayee to the U.S. in September this year are important milestones in this growing relationship between the two countries.



India & Intellectual Property Rights

THERE is a well-established statutory, administrative and judicial framework to safeguard intellectual property rights in India, whether they relate to patents, trademarks, copyright or industrial designs. Well-known international trademarks have been protected in India even when they were not registered in India.

Computer software companies have successfully curtailed piracy through court orders. Computer databases have been protected. The courts, under the doctrine of breach of confidentiality, accorded an extensive protection of trade secrets. Right to privacy, which is not protected even in some developed countries, has been recognized in India.

Protection of intellectual property rights in India continues to be strengthened further. The year 1999 witnessed the consideration and passage of major legislation with regard to protection of intellectual property rights in harmony with international practices and in compliance with India's obligations under Trade Related Intellectual Property Rights (TRIPS). These include:

1. The Patents (Amendment) Act, 1999 passed by the Indian Parliament on March 10, 1999 to amend the Patents Act of 1970 that provides for establishment of a mailbox system to file patents and accords exclusive marketing rights for 5 years.
2. The Trade Marks Bill, 1999, which repeals and replaces the Trade and Merchandise Marks Act, 1958 passed by the Indian Parliament in the Winter Session that concluded on December 23, 1999.
3. The Copyright (Amendment) Act, 1999 passed by both houses of the Indian Parliament, and signed by the President of India on December 30, 1999.
4. A *sui generis* legislation for the protection of geographical indications called the Geographical Indications of Goods (Registration & Protection) Bill, 1999 approved by both houses of the Indian Parliament on December 23, 1999.
5. The Industrial Designs Bill, 1999, which replaces the Designs Act, 1911 was passed in the Upper House of the Indian Parliament in the Winter Session, which concluded on December 23, 1999 and is presently before the Lower House for its consideration.
6. The Patents (Second Amendment) Bill, 1999 to

further amend the Patents Act, 1970 and make it TRIPS compliant was introduced in the Upper House of Indian Parliament on December 20, 1999.

In addition to the above legislative changes, the Government of India has taken several measures to streamline and strengthen the intellectual property administration system in the country. The Trade Marks Registry is also proposed to be further strengthened and modernized. As regards the aspect enforcement, Indian enforcement agencies are now working very effectively and there has been a notable decline in the levels of piracy in India.

Concerns expressed over IPR protection & India's response

Q: India does not provide an effective patent protection in the pharmaceutical sector.

India does provide for patents in the pharmaceutical sector. Currently the patents are restricted to the methods or process of manufacture and not extended to the substances/products themselves. In terms of the TRIPS Agreement, India has time till January 1, 2005 to extend patent protection to this area. The ten-year transition period available for providing product patents to pharmaceutical products is within WTO rules.

Q: It has been further said that India has failed to meet its current obligations required under TRIPS Agreement for implementing appropriate, conforming mailbox and exclusive marketing rights procedures.

The Government of India has taken the following steps to meet its obligations:

1. On December 31, 1994, Government of India promulgated an Ordinance to provide a means to receive product patent applications in the fields of pharmaceutical and agricultural chemical products and also for grant of exclusive marketing rights. Pursuant to this measure the Indian Patent Office has been receiving product patent applications in those fields.
2. India has established a mailbox system through administrative instructions. Numerous applications have already been filed in this mailbox system, and many of them have been filed by US companies;
3. India has also made changes to its Patents Act to

Continued on next page



put in place a machinery for establishment of a mail box system to file patents and according exclusive marketing rights for 5 years. This provision was made in the Patents (Amendment) Act of 1999.

Copyright protection in India

India has one of the most modern copyright protection laws in the world. Major development in the area of copyright during 1999 was the amendment to the Copyright Act of 1957 to make it fully compatible with the provisions of the TRIPS Agreement. Called the Copyright (Amendment) Act, 1999, this amendment was signed by the President of India on December 30, 1999 and came into force on January 15, 2000.

The earlier 1994 amendment to the Copyright Act of 1957 had provided protection to all original literary, dramatic, musical and artistic works, cinematography, films and sound recordings. It also brought sectors such as satellite broadcasting, computer software and digital technology under Indian copyright protection. The Copyright Act is now in full conformity with the TRIPS obligations.

Concern has been expressed about the allegedly slow judicial system in India and the procedural issues involved in trial and conviction. The Indian judiciary is handling cases as expeditiously as possible. The year that has gone by has again witnessed the versatility of the impartial and independent Indian judiciary when it comes to the issue of protection of intellectual property rights, amplified by the encouraging trends with Indian courts plugging in gaps in the statute with the common sense of the common law.

Indian enforcement agencies are working effectively and there is a decline in the levels of piracy in India. A summary of these measures is given below:

1. During the year the government continued to stress the need for strict enforcement of the Copyright Act and Rules. State governments and other Ministries were regularly requested to lay special attention to ensuring copyright protection in their functioning.
2. The Government also brought out a Handbook of Copyright Law to create awareness about copyright amongst the stakeholders, enforcement agencies, professional users like the scientific and academic communities and members of the public. Copies of the Handbook were circulated free of cost to the state and central government officials

and police personnel and also provided to participants in various seminars and workshops on IPR matters held during the year.

3. National Police Academy and National Academy of Customs, Excise and Narcotics conducted several training programs on copyright for the police and customs officers. Modules on copyright have been included in their regular training programs.
4. The Department of Education, Ministry of Human Resource Development, Government of India has initiated several measures in the past for strengthening the enforcement of copyrights that include constitution of a Copyright Enforcement Advisory Council (CEAC), creation of separate cells in state police headquarters, encouraging setting up of collective administration societies and organization of seminars and workshops to create greater awareness about copyright law among the enforcement personnel and the general public.
5. For collective administration of copyright, copyright societies have been set up for different classes of works. At present there are three registered copyright societies. These are the Society for Copyright Regulations of Indian Producers of Films & Television (SCRIPT) for cinematography films, Indian Performing Rights Society Limited (IPRS) for musical works and Phonographic Performance Limited (PPL) for sound recordings. These societies, particularly the PPL and the IPRS, have been quite active in anti-piracy work. The PPL has even set up a special anti-piracy cell under a retired Director General of Police, and this cell has been working in tandem with the police.
6. Several other measures to create general awareness about copyright and for encouraging study of intellectual property rights in the educational system, besides modernizing the Copyright Office, are on the anvil.

Consequent to the number of measures initiated by the government, there has been more activity in the enforcement of copyright laws in the country during the last year compared to previous years. As per the data relating to copyright offenses available with the National Crime Records Bureau, the number of copyright cases registered has gone up from 479 in 1997 to 802 in 1998. The number of persons arrested has increased from 794 in 1997 to 980 in 1998. The value of seizures has gone up from Rs. 28.8 million in 1997 to Rs.74.8 million in 1998. These figures reflect the general improvement in the enforcement of the copyright law.



India & the World Trade Organization

INDIA is a founder member of the General Agreement on Tariffs and Trade (GATT) 1947 and its successor, the World Trade Organization (WTO), which came into effect on 1.1.95 after the conclusion of the Uruguay Round (UR) of Multilateral Trade Negotiations. India's participation in an increasingly rule based system in the governance of international trade is to ensure more stability and predictability, which ultimately would lead to more trade and prosperity for itself and the 134 other nations which now comprise the WTO. India also automatically avails of MFN and national treatment for its exports to all WTO Members.

Third Ministerial Conference of WTO in Seattle

November 30 - December 03, 1999

The Union Minister of Commerce & Industry, Mr. Murasoli Maran, led the Indian delegation to the Third Ministerial Conference of the WTO. The delegation also included Members of Parliament, senior officials from different Ministries and representatives from the apex chambers of commerce and industry.

Even before the commencement of the Conference there were widespread protests and demonstrations in Seattle by a number of anti-WTO groups ranging from environmental activists to labour unions. The inaugural session, which was to be held in the forenoon of November 30, 1999, had to be abandoned because of disturbances.

The Chairmen of various Working Groups tried to narrow down the differences in their respective groups with a view to arriving at a consensus in the draft Ministerial text that had been transmitted from the Geneva preparatory process. However, in view of the wide divergence of views, no group could present draft texts for inclusion in the Ministerial declaration acceptable to all the members. The Chairperson observed that divergences of opinion remained that would take time to be narrowed down. It was therefore, decided to suspend the work of the Seattle Ministerial Conference.

Post Seattle scenario:

India is taking advantage of this 'time out' to consoli-

date its position on issues of its interest in the WTO. Three pronged efforts have been launched which are as follows:

(a) On the one hand, India has continued to highlight the areas of its concern at important bilateral and multilateral meetings, which have been as follows:

In his meeting with the Director General WTO on January 12, 2000 at New Delhi, Minister for Commerce and Industry emphasised that globalisation has caused uneven growth, increasing the disparities between the richest and the poorest. This has to be addressed, inter alia, by addressing the implementation problems in existing Agreements and operationalising the special and differential clauses in favour of developing countries. A consensus could be reached only if the more controversial issues, such as non-trade related issues, could be eliminated from WTO.

In his statement at UNCTAD-X (Bangkok - February 13, 2000), the Minister highlighted that "International rule making mustpermit flexibility and autonomy to developing countries to pursue their material development strategies on the basis of needs and aspirations of their people." He registered a strong protest on the part of the developing countries as to how issues extraneous to trade, such as labour standards, are sought to be put on the negotiating agenda, while, on the other hand issues such as the cross border movement of persons, a matter of great interest to developing countries is resisted by developed countries. On the margins of the UNCTAD Conference at Bangkok, he had also used this opportunity to have bilateral and plurilateral meetings with a view to evolve common stand on important WTO issues.

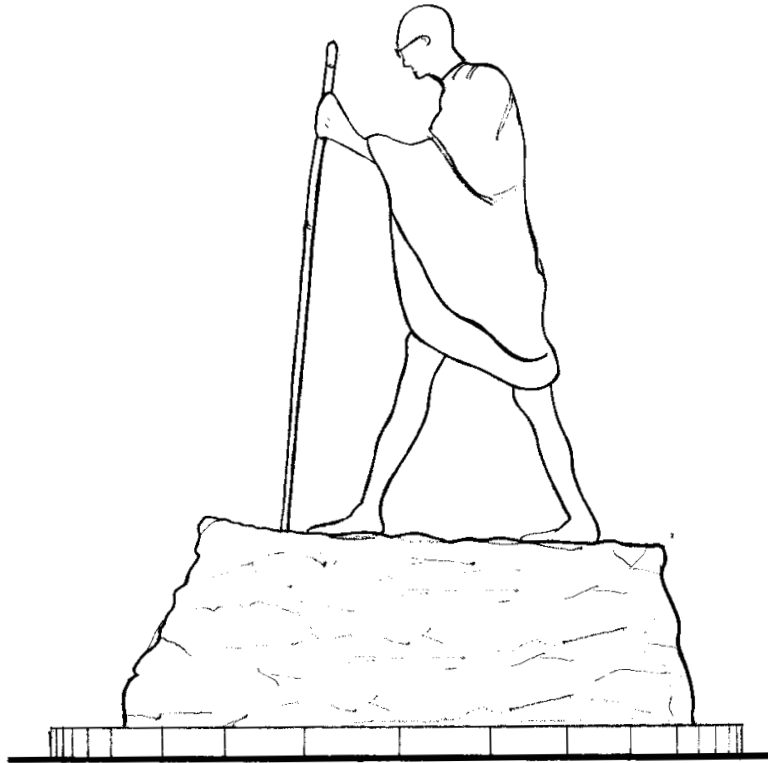
The UNCTAD Plan of Action has taken on board some of the important concerns of developing countries on implementation issues by inter alia recognising that "in the course of implementation of the WTO Agreements, most developing countries consider that certain imbalances and asymmetries exist" and that "these problems need to be addressed ur-

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Mahatma Gandhi Memorial

Washington, DC



Mahatma Gandhi

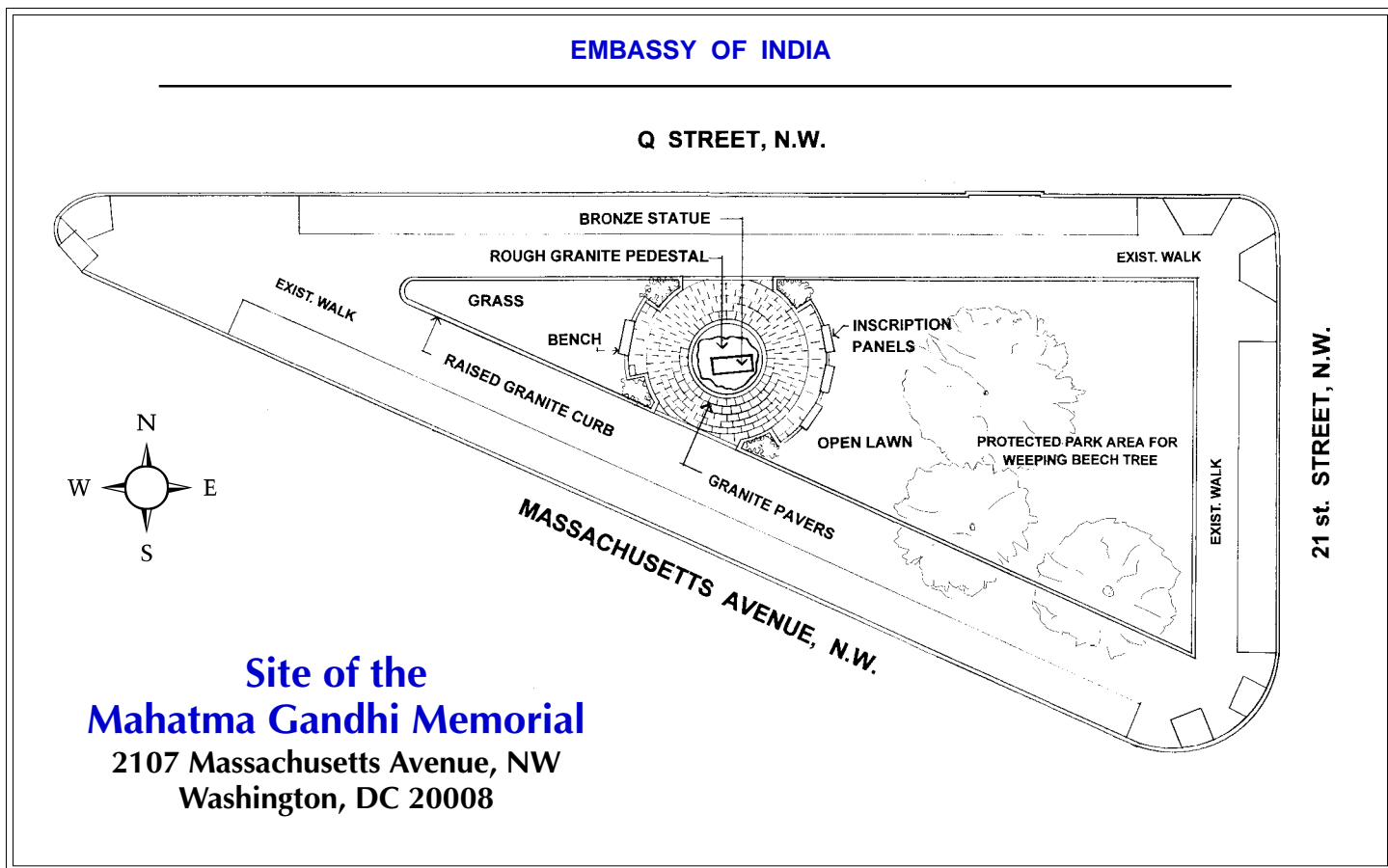
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"My Life Is My Message"

SHRI Atal Bihari Vajpayee, Prime Minister of India will dedicate the Mahatma Gandhi Memorial on September 16, 2000.

The Mahatma Gandhi Memorial is located on a triangular park along Massachusetts Avenue and is directly across the road from the Embassy of India. The architecture of the Memorial is designed to honour Mahatma Gandhi's simplicity, his philosophy of nonviolence and his commitment to peace.

The centerpiece of the Memorial is a 8 feet 8 inches high bronze statue of Mahatma Gandhi. The statue, which shows Mahatma in stride, rests on a rough hewn pedestal of granite.



India & World Trade Organization

(Continued from page 18)

gently so as to ensure that the multilateral trading system results in mutual benefits for all countries.” India was also able to moderate the wording on global coherence as much as “coherence” has been diluted to “cooperation” in the critical portions of the UNCTAD-X Declaration and Plan of Action. India feels that strengthened ‘coherence’ between WTO and the UN organizations may lead to increased cross conditionalities, which may narrow down our policy options for development. Thus our success in diluting the coherence brief in UNCTAD is significant.

(b) Under the second track of post-Seattle follow up Government has held consultations to appraise the situation arising out of the failure of the Seattle Ministerial Conference to reach consensus on major issues.

A meeting of the Advisory Committee on International Trade was convened on February 3, 2000 to apprise the Committee of the important developments at and immediately after Seattle and seek the

Committee’s advice on the way forward. The gist of the Committee’s advice to Government has been to ask Government to review the implementation issues and prioritise those which are of core interest; to ensure that our implementation demands are properly attuned to our autonomous programme of domestic economic liberalisation; to evolve a suitable response to a situation where even some of the developing countries are willing to accept some watered down version of a group on trade and labour in association with the WTO; and evolve our stand on environment so that we don’t appear to be against protection of environment; to give adequate publicity to our positive record of adherence to ILO conventions and ongoing efforts for implementation of core labour standards; and to formulate a national consensus on biotechnology etc.

(c) The third strand of our post-Seattle approach has been to participate actively in the meetings of the General Council of the WTO and its subsidiary bodies to continue to emphasise the areas of our concern. India has participated actively in the General Council meetings held post-Seattle on December 17, 1999 and on February 2, 7 & 29, 2000.



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