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India and US sign Investment Incentive Agreement

Finance Minister Mr. P. Chidambaram and Ms. Madeleine Albright, US Secretary of State signed an Investment Incentive Agreement between the Government of India and the Government of the United States of America on November 19, 1997.

The intent of the Agreement is to promote and protect US investments into India by facilitating investment support to US investors from Overseas Private Investment Corporation (OPIC), a designated agency of the Government of USA. The Agreement is important in the context of the additional comfort it offers to potential US investors by way of investment support from OPIC.

The Agreement incorporates the principle of reciprocity. For any investment support extended by Export Credit Guarantee Corporation of India, or any other designated agency of Government of India for Indian investments in USA, provisions equivalent to those contained in the Agreement shall apply to Indian investments upon completion of constitutional or other legal processes of either Government and upon exchange of notes made at the initiative of either Government.

The Agreement enlarges the scope and nature of investment support or risk coverage extended to potential US investors by way of OPIC investment support. OPIC investment support includes any debt or equity investment, any investment guarantee and any investment insurance or reinsurance provided in connection with a project in India.

It is perceived that the signing of this agreement would give a boost to US investments into India.

Calcutta to host US Investment Summit (December 10 & 11)

The eastern region of India has attracted US investment proposals worth nearly \$54 billion, some of which are expected to be finalised at the forthcoming US Investment Summit to be held in Calcutta on December 10 and 11.

The chairman of the Indo-US Joint Business Council, R. P. Goenka, said nearly 100 US companies and an equal number from India would participate in the meeting. Apart from this, 25 to 40 companies each from Bangladesh and Nepal will also be attending the summit. Goenka said, "We expect to sign up a number of agreements during the summit itself. Most of the investment is likely to come in within three months of the signing of the agreements."

The more 130 projects on offer are in the states of Arunachal Pradesh, Assam, Bihar, Manipur, Meghalaya, Nepal, Orissa, Tripura and West Bengal.

The proposed investment of nearly \$54 billion is spread over a number of sectors including agro industries, minerals and metals, oil and gas, infotech and telecom, financial services, transportation and infrastructure, yarns, textiles and leather besides construction and allied activities.

West Bengal has received proposals for investment of over \$2 billion in 24 projects, including six in the infotech and telecom sector and four in the agro industries sector. Arunachal Pradesh has attracted nearly \$40 billion worth of proposals of which 13 are in the oil and gas sector, seven in the minerals and metals sector and eight in the agro industries sector. Assam has received investment proposals worth \$240 million, Orissa \$3.69 billion, Tripura \$1 billion and Bihar \$5.08 billion.

FOCUS: LATIN AMERICA PROGRAMME LAUNCHED

Record increase in exports to Latin America

India's bilateral trade with the Latin American region has increased from US \$ 474 million in 1991-92 to US \$1052 million (or \$1.05 billion) in 1996-97, representing a record increase of over 122% in just 5 years.

During the year 1996-97, India's bilateral trade registered a growth of about 10% and exports to Latin America increased by 30% to reach US \$ 485 million, although the balance of trade remains adverse to India by about US \$ 85 million. The current financial year has also shown a very good growth in bilateral trade.

During April-August 1997, bilateral trade has grown by over 22%. The major items of India's exports to the region continue to be textiles (including ready-made garments), engineering goods, automobiles and their components, bulk drugs and chemicals and allied products. India's main imports from the region are iron and steel, non-ferrous metals, crude minerals and chemicals.

Considering the potential of the region and to bridge the information gap hindering trade flows, Focus: Latin American Countries (LAC) program was launched here today by the Commerce Minister, Dr. B.B. Ramaiah to further enhance trade with the Latin American region during the remaining part of 1997-98 and the whole of 1998-99.

A comprehensive action plan has been prepared in consultation with the apex chambers of commerce and industry, India Trade Promotion Organization (ITPO) and the concerned Export Promotion Councils (EPCs) for export promotion in the LAC region during October 1997 to March 1999 covering market surveys, visit of trade delegations, buyer-seller meets, participation in trade fairs, seminars, signing of JBC agreements etc.

The program will concentrate on Latin America in general with added emphasis on the major trading partners. Three major product groups have been identified, namely, textiles engineering products and chemical products as focused product groups under the Program which would be an integrated effort of the

Government of India, EPCs, Chambers of Commerce & Industry and institutions such as Exim Bank and Export Credit Guarantee Corporation (ECGC). Mr. P.P. Prabhu, Commerce Secretary; Mr. Yogesh Chandra, Chairman & Managing Director, ITPO and other senior officials were present on the occasion along with representatives of apex chambers.

As part of the program, ITPO will be holding an India exhibition in Mexico City in March 1998. This exhibition is being designed to catalyze and intensify trade exchanges between India and Mexico in particular and India and LAC in general. Institutional mechanisms such as joint commissions, joint trade committees and commercial councils with Latin American and Caribbean countries, some of which have been there for sometime and some having been established recently, will be activated so that there is increased frequency of interaction at the highest level.

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Exim Policy initiatives and trade promotion measures have also been taken to provide incentives for Indian businessmen to explore the Latin American markets. Distance, language barriers and absence of economic and fast shipping links have been cited as major constraints, which affect the expansion of economic and commercial relations between India and Latin America.

However, one of the biggest constraints continues to be the information gap and therefore, the Program has been designed to bridge this gap. The possibilities of enhanced trade and economic cooperation between India and LAC are immense.

Independent Standing Group on Power

The Government of India constituted a Standing Independent Group on 16th September 1997 to establish transparent parameters for negotiation of power projects proposed by foreign agencies/companies. This followed receipt of a number of proposals for setting up large capacity power projects with low tariffs. In order to pursue this, a need was felt to establish a direct negotiation route.

The composition of the Group is as follows:

1. Justice P.N. Bhagwati, retired Chief Justice Supreme Court - Chairman;
2. Mr. T. R. Satishchandran, former Chief Secretary, Karnataka and former Principal Secretary to PM - Member;

3. Mr. M. K. Sambamoorthy, retired Chairman, Central Electricity Authority - Member;

4. Dr. R.K. Pachauri, Director, Tata Energy Research Institute - Member;

5. Mr. T. L. Sankar, Principal, Administrative Staff College of India - Member;

6. Mr. Deepak Parekh, Chairman, Infrastructure Development and Finance Corporation - Member.

The Group held its first meeting between 14th to 16th November 1997. At the deliberations, Justice Bhagwati observed that while competitive bidding would continue a few projects could come up on the

negotiated route in order to quickly establish additional capacity at reasonable costs. The Central Electricity Authority (CEA) has shortlisted certain possible sites that are to be finalized in consultation with the concerned State Governments. The Group recognized the need for standardization of documents like the Power Purchase Agreements, methodology of evaluation of tariff offers and a system of quick response by appraising agencies for various clearances.

A workshop is to be held in December when the power companies, State Government representatives could meet and have interaction with the group on issues relating to tariff and early approval and completion of projects.

1997 Indira Gandhi Prize Awarded to Jimmy Carter



Former US president Jimmy Carter has been chosen for the 1997 Indira Gandhi prize for peace, disarmament and development. The award carries a cash prize of Rs 2.5 million (about \$100,000 dollars) and a citation.

K. Natwar Singh, vice-chairman of the Indira Gandhi Memorial Trust, made the announcement in the presence of the trust's international jury at a function at Rashtrapati Bhavan. The 1996 prize was presented to a representative of Medicins Sans Frontieres, a Barcelona-based voluntary organisation.

Upon presenting the previous award to Medicins Sans Frontieres, President K. R. Narayanan deplored the tendencies of some members of the medical profession to become greedy for wealth. Illness has become an industry, he said. The president said that by serving the people of the world who are urgently in need of medical care and assistance, Medicins Sans Frontieres has demonstrated that human compassion and succour knew no frontiers. Since its inception in 1986, the Indira Gandhi prize has been won by then Soviet president Mikhail Gorbachev, Namibian President Sam Nujoma and former prime minister Rajiv Gandhi.

1,750,000 Biogas Plants to be Set Up During 1997-98

The Ministry of Non-conventional Energy Sources has proposed to set up 1,750,000 biogas plants during 1997-98 with a budget estimate of Rs. 576.5 million. More than 222,700 plants have already been installed. A sum of Rs. 274.4 million has been sanctioned to State Governments and other program implementing agencies for the period April to September. The Ministry hopes to achieve the target set for this year, rather exceed, as was the practice in the last four to five years.

The Ministry has also set a target of installing 220,000 family-type biogas plants with a budget estimate of Rs. 767.5 million for the year 1998-99. The 9th Plan target is set at 120,000 family size biogas plants with a total outlay of about Rs. 3850 million.

The Center gives subsidy of fixed amounts, irrespective of the size of the plant. Enhanced rate of subsidy of Rs. 5,000 per plant is given for those being set up in the NorthEastern States, Sikkim and Jammu and Kashmir. The subsidy for Himachal Pradesh, hilly

districts of Uttar Pradesh, hilly areas of Tamil Nadu and West Bengal, Andaman and Nicobar Islands, is fixed at Rs. 3,500 per plant. Plants set up in desert districts, western ghat, eastern ghat, and Terai region and for Scheduled Castes and Scheduled Tribes, small and marginal farmers, the subsidy is fixed at Rs 2,500 per plant. All others receive Rs. 2,000.

Over 2,500,000 family-type biogas plants have been set up in the country since 1981-82, already covering about 21 per cent of the estimated potential of 12 million family-type biogas plants. These plants help in the saving of about 9.8 million tons of fuelwood per year. It also helps in producing 37.5 million tons of enriched organic manure per annum.

Biogas is a clean, pollution free, low cost fuel produced from organic materials such as cattle dung and human waste through a biological fermentation process. The gas contains about 50 to 75 per cent methane, which is inflammable and can be used for cooking, lighting and power generation, etc.

580 MW Wind Power to be Added In About 3 Years

A total wind power capacity of 580 MW has been installed during the last two and a half years, ending October 1997. More than 2 billion units were added during the period. Over 2.7 billion units of electricity have been generated and fed to the respective State grid from the nearly 4000 wind turbines that have so far been installed.

According to a recent study, most of the wind farms are recording a capacity factor in the range of 15-22 per cent except for a few, where it is lower. The main reason for the low generation at certain locations is due to low wind speeds and grid problems. The steps being taken to improve wind power generation include, speedier allotment of land at windy locations by States, forestry clearance where required and strengthening of grids by State Electricity Boards (SEBs) and creation of adequate power evacuation facilities.

The States have also been requested to introduce conducive policies for commercial development, as per the Government's guidelines. Business meets and publicity campaigns are also being organized to attract investments in this sector. Financing norms of the Indian Renewable Energy Development Agency (IREDA) which provides soft loans for such projects are being reviewed. Wind resource studies are also being expanded.

ISRO Begins Work On PSLV-C2 For First Commercial Launch

The Indian Space Research Organisation (ISRO) is preparing for a commercial launch of a foreign satellite on the next Polar Satellite Launch Vehicle - PSLV-C2. The launch vehicle will carry the Indian Remote Sensing Satellite (IRS- P4) and a South Korean satellite KITSAT-3. The PSLV series has already proved its capability to be a commercial launch vehicle. In September 97, the PSLV-C1 launched the IRS-1D into an orbit. India's present launchers can put 1.2 tonne class satellites into polar synchronous satellites. But ISRO's commercial launch cost, estimated to be competitive and less than world average, depends on the ability of the organisation to repetitively manufacture launchers for frequent launches and a 'busy' business scenario.

Germany Lauds India's Economic Strength

The German Foreign Minister, Mr. Klaus Kinkel has lauded India's "decisive role" in Asia and paid handsome tributes to its "political and economic strength." "There is no doubt in my mind that, India's political and economic strength will grow well beyond the subcontinent's boundaries," Mr. Kinkel observed at a special event organised by the Indian Ambassador, Mr. S.K. Lambah to commemorate India's 50th Independence anniversary. Mr. Kinkel said India's Independence was the "signal" for the beginning of a "new age" in the history of Asia, or freedom and independence throughout the developing world. He recalled that India was the first country, after the three Western allies (USA, U.K. and France), to recognize post-war Federal Republic of Germany.

World Class Super Computer By 1998

The Advanced Numerical Research & Analysis Group (ANURAG) will be able to deliver world class super computer 'Pace Plus 32' by the end of 1998. Dr. Abdul Kalam, Scientific Adviser to the Defense Minister, made this statement while delivering the first Dr. Channa Reddy memorial lecture on "Andhra Pradesh and Technology". Dr. Kalam pointed out that 'Pace Plus 32' super computer would be '15 times more powerful' than the existing computers in the country. Super computers have immense applications in various fields such as automobiles, molecular design, building big structures like bridges and meteorology, he said.

1.5 Million Solar Roofs by 2002

The Government proposes to set up 1.5 million solar roofs by the year 2002 in the country, under a long-term perspective. This was disclosed by the Minister for Non-conventional Energy Sources Mr. Jai Narain Prasad Nishad while speaking at the International Conference on "Habitat and Sustainable Development".

Underlining the need for adopting an environmentally benign solar passive architecture, He said, the Government's effort is directed at providing clean, cheap, convenient and efficient energy needed for both the existing and new habitats. He pointed out that India has already deployed over 400,000 solar photovoltaic systems in various applications ranging from lighting, small village power plants, rural telecommunications, railways and even defense. India is the second largest manufacturers of single crystal silicon solar cells, after the USA.

Another clean and environment friendly renewable energy is wind power and India already has over 900 MW installed grid-connected wind power capacity. We are the third largest producer of electrical power from wind energy in the world after USA and Canada. India is poised to become the largest producer of wind energy by the turn of the century, he said.

Sixty technical papers authored by eminent experts were discussed in detail by over 1000 delegates during the technical sessions on the pre-identified themes of infrastructure, land use planning, R&D needs, role of Government agencies and NGOs in local development, rural/urban interface including urban slums and disaster mitigation, environmental and sustainable development, renewable sources of energy and solar passive architecture.

Chinese Investors Scouting For Indian Partners

The Chinese investors are scouting for joint venture partners in India for setting up mini hydro-power plants ranging between 0.5 MW to 10 MW capacity. The mini hydro-power plants, developed with 40 years of research especially for the developing countries with an enhanced power generation capacity of 17,000 MW and above were ideal for rural and hilly regions of the country.

INDEPEX 97

World Philatelic Exhibition to be held December 15-22, 1997

The World Philatelic Exhibition - INDEPEX '97 will be held at Pragati Maidan, New Delhi from 15th December to 22nd December 1997. It is being organized by the Department of Posts, Government of India, in cooperation with the Philatelic Congress of India (PCI) under the patronage of Federation Internationale de Philatelic (FIP).

The exhibition coincides with the Golden Jubilee of India's Independence and is a tribute, India Post, pays to the nation on this auspicious occasion. Hence, the Exhibition is named INDEPEX-97 - the first four letters 'INDE' stand for India, 'P' for Philately and 'EX' for Exhibition. The objective in organizing INDEPEX '97 is to promote and disseminate information about Philately. Stamps, symbolizing one's culture and tradition carry thematic messages to the people. The exhibits will be displayed in over 3,500 frames. The first international philatelic exhibition was organized in India in 1954, as a part of the centenary celebrations of the Indian Postage Stamp.

Renewable Energy — Friend of Ecology

The Minister for Non-conventional Energy Sources, Mr. Jai Narain Prasad Nishad has said, the renewable energy offers various possibilities and opportunities in the planning and development of future environment-friendly and sustainable habitats. Increasing population particularly in India and other developing countries has generated the need for new human settlements both in urban and rural areas.

Pressure on agriculture, less employment opportunities, lack of economic and social infrastructure, sub-optimum quality of life in rural areas have led to large scale migration of population to urban settlements. In order to check this, new human settlements are to be developed, more of them in rural areas and living conditions in the backward regions improved, by providing a better and healthier environment along with infrastructure and clean energy. Mr. Nishad was delivering the valedictory address at the International Conference on Habitat, here today. The Conference was organized by the Institution of Engineers of India, under the aegis of the World Federation of Engineering Organizations and co-sponsored by the Commonwealth Engineers Council and Federation of Engineering Institutions of South and Central Asia.

The Minister pointed out that the renewable energy sector in India received a major boost as a result of the new economic policies initiated by the Central Government. New vistas and opportunities have opened up for large-scale private sector participation in renewable energy. Many joint ventures have been set up especially in the areas of wind, small hydro, biomass and solar photovoltaics. India's renewable energy program is designed in such a way to meet the growing energy needs in the rural areas, besides promoting decentralized development so as to stem growing migration of rural population to urban areas in search of better living conditions. He urged the scientists, planners, engineers and the builders attending the Conference to chalk out ways of sustainable development for solving the global, regional and local issues related to the sustenance and quality of life.

Shell Proposes Major Investment In India

The Prime Minister, Mr. I. K. Gujral, met with top executives of Royal Dutch Shell one of the largest oil companies in the world, and Saudi Aramco to discuss a joint proposal for a major venture in the oil sector. This is in addition to the existing projects already under way by these companies.

The Chairman of Shell Transport and Trading, Mr. Mark Moody Stuart who is also the Royal Dutch Shell Group Managing Director along with the President of Saudi Maramco. Mr. Abdullah Jum'ah represented the

two companies at the meeting. In the talks with the Prime Minister, they said the two companies had decided to seek opportunities for joint developments in new markets. They had identified India as their first initiative.

Shell is already involved in manufacturing and marketing of lubricants and LPG. It is exploring for oil in Rajasthan and has proposals for development of liquefied natural gas import terminals in Gujarat and Tamil Nadu.

Airbourne Geophysical Survey Flagged Off In India

Union Minister of Steel and Mines Mr. B. P. Baishya inaugurated airborne geophysical survey for the first time in India at the Jaipur Airport. Broken Hill Properties (BHP) minerals, Australia a global mineral producer has entered into a joint venture with Hindustan Zinc Ltd., (HZL) for grass-root exploration for base and precious metals in Aravalli region in Rajasthan. This venture aims to locate concealed deep-seated ore deposits, which do not have surface indication.

The first and foremost step of the exploration program is to scan vast region of 13500 Sq.Kms. covering parts of Bhilwara, Ajmer, Jaipur and Tonk Districts, by airborne geophysical techniques. This being a highly specialized field, very few agencies are available in the world that has the state-of-the-art technology and the experience in conducting such surveys. The joint venture will be using the latest 'GEOTEM SURVEY' and the aircraft has been flown in specially from Australia to carryout the survey.

The aircraft will fly at a height of approximately 120 meters, more or less parallel to topographic contours and would criss-cross the area at a distance of about 200 to 250 meters apart. The response of the ground will be measured by the "toeing bird" connected to the

aircraft and associated systems. The processing of data generated would help in identifying potential areas capable of hosting mineral deposits.

The Minister said that the state of Rajasthan is a front runner towards implementing the new policy initiatives for grant of larger areas for aerial prospecting. Rajasthan was taking bold initiatives for development of the mineral wealth of the State. Government of India has so far approved all the 21 proposals received from the State of Rajasthan covering an area of about 27,000 Sq.Kms. for aerial prospecting for copper, lead, zinc, gold and silver. Success in these exploration activities and subsequent economic exploitation of mineral resources would make Rajasthan an extremely mineral rich State.

The Minister also added that geological rock types in the area selected for survey in Rajasthan are similar to the rock types found elsewhere in the world, particularly in Australia where large deposits of base metals have been found. The airborne geophysical survey is likely to locate large deposits of base metals similar to Rampura-Agucha deposit, which is a world class operating mine in Rajasthan.

US Commerce Secretary Daley Leads a Trade Delegation to India

The US Commerce Secretary, Mr. William Daley, arrives India on December 6th for a six-day official visit accompanied by a 60-member high powered business delegation. His visit will give an impetus to trade and investment ties between India and the US which had improved considerably after his predecessor, the late Ron Brown's successful trip about two years ago.

Mr. Daley, who will be visiting four metros apart from the capital, will deliver an address on December 8 at the World Economic Forum on Indo-US business relations. He will also be holding meetings with several Cabinet Ministers and senior Government officials of economic ministries. The US Commerce Secretary plans to visit Calcutta, Bombay, Chennai and Bangalore subsequently where he will interact with trade and industry as well as State Governments. The visit is considered significant since currently the US has filed two complaints against India in the World Trade Organi-

zation. The one regarding quantitative restrictions (QRs) on imports appears to be heading for a satisfactory conclusion as India has already reached agreement on the issue with the European Union and Australia. Bilateral negotiations are still going on with the US authorities though the second request for setting up a dispute settlement panel has been agreed to by the WTO and this process will also go ahead simultaneously.

Mr. Daley is also expected to take up the question of speeding up approvals for large infrastructure projects especially in the power sector where US companies are interested in investing. In addition, the need for greater liberalization in financial services will be discussed this sector. It is expected his visit to give a fillip to trade and business ties between the two countries since the Clinton administration continues to view India as one of the "big emerging markets" which has tremendous potential for US investors.

Overseas Ports Allowed to Enter Into Joint Ventures

The Government has decided to allow joint ventures between Indian and overseas ports. The move is expected to give a fillip to port development and extend the scope of the port policy. The Centre, has already allowed joint ventures between the private sector and the port trusts in the country.

Official sources said that these partnerships will be for special services at the ports. "The joint ventures will be on a port to port basis and will involve commercial considerations," the sources said. The decision is expected to give a boost to the ongoing port development programs which also include privatization of various facilities. The joint ventures are also expected to provide expertise to the port trusts in tackling bottlenecks and bringing the ports at par with international standards.

Currently, the major port trusts in the country are in the midst of expansion programs involving private sector funds. Various facilities at these ports have been privatized and many new facilities are also being created with the help of the private sector. To continue the thrust of development, the ministry of surface transport has decided to acquire additional help in the form of expertise from the overseas ports, officials said. The government has already allowed partnerships between major ports and minor ports and between minor ports and the private sector.

In a related move, the ministry of surface transport has also set up a high-level ministerial committee to review the existing port legislations such as the Major Port Trusts Act, 1963 and the Indian Ports Act, 1908. The Committee will submit its recommendations by 10 December, 1997. The committee will identify the provisions in the existing legislations which are no longer required due to changes in the maritime activities over the years. On the other side, corporatization will also require changes to be incorporated in the existing statute.

India Rejects Incorporation of New Environmental Commitments for Developing Countries

PROF. SOZ ADDRESSES UN CONVENTION ON CLIMATE CHANGE

Following is the text of speech delivered by the Union Minister for Environment and Forests, Prof. Saifuddin Soz at the 3rd Session of the Conference of the Parties to the Framework Convention on Climate Change at Kyoto, Japan, today."

Mr. President, Excellencies and distinguished delegates, On behalf of the people of India I extend greetings to the citizens of this historic city, Kyoto, and to the people of Japan. To the Government of Japan, I convey my country's sincere appreciation for hosting the Conference of the Parties to the Framework Convention on Climate Change. The world, poised at the threshold of a new century, looks to this Conference with expectation and hope.

Mr. President, On behalf of the delegation of India, allow me to congratulate you on your election to the helm of the Conference. Your guidance and patience has made our task much easier. I would like to take this opportunity of reiterating that in your endeavours you will continue to have our wholehearted support. My delegation also acknowledges the unrelenting labour put in by Ambassador Estrada and the support provided by Executive Secretary Cutajar in the negotiations.

Mr. President, We are all seeking a positive outcome at Kyoto within the principle of the Convention on Climate Change and the Berlin Mandate. Essentially, the Conference is addressing two issues in the new legal instrument for the period beyond the year 2000. Firstly, and principally, the commitments of developed countries are to be strengthened adequately for reducing greenhouse gas emissions. Secondly, the

capacities of developing countries have to be enhanced through transfer of financial resources and technology from developed countries for advancing the implementation of existing commitments.

At the same time, there is much concern that developed countries have fallen so short of meeting their existing commitments. Very few have taken requisite policies and measures for returning to 1990 emission levels. The commitments made with respect of transfer of financial resources, too, have not taken off in any meaningful manner. The Convention provisions relating to transfer of technologies are yet to be operationalised.

Mr. President, While the Convention recognizes that the largest share of historical and current global emissions has originated in developed countries, it is also clear that developing countries will bear the brunt of the adverse impacts. Very vulnerable are the agricultural households. 70% of India's population derive their livelihood from agriculture related activities, much of which is at subsistence levels. But nevertheless, the Indian farmer has made our nation self-sufficient in food. This is a significant achievement which cannot be endangered. We are also concerned about the effects of sea level rise on the lifestyles of the coastal communities in India. Adaptation strategies have to be drafted after careful impact studies.

Mr. President, In recent times, questions have been posed about the response of developing countries to the Convention. We will be drawing up our national communications in accordance with the provisions of the Convention. We regard this as a significant enabling activity to advance sustainable development. At the same time, ambitious national programs are under implementation for energy conservation and increasing production efficiency, cleaner fuels, renewable energy technologies, afforestation and wasteland development. Our initiatives for generating electricity through solar and wind power and small hydro projects have been much acclaimed. The national effort towards sustainable development is supported by a comprehensive statutory framework, a vigilant media with complete freedom of expression, watchful NGOs, and judicial system which has recognized the citizen's right to a clean environment as a component of the right to life and liberty.

To return to our work at the Conference. We expect the new instrument to have significant targets and timetables for developed countries to modify longer term trends in anthropogenic emissions consistent with the objectives of the Convention. Simultaneously, the provisions relating to resource transfers in the Convention also need to be made effective.

(Continued on page 10)

Year-long Programs to Mark the 50th Year of Universal Declaration of Human Rights

Celebrations to Begin on Human Rights Day

The year-long programs to mark the 50th year of Universal Declaration of Human Rights (UDHR) will commence on 10 December 1997 in New Delhi at a function, being organized by the National Human Rights Commission. Dr. Shankar Dayal Sharma, the former President of India will be the Chief Guest at the function which coincides with the 'Human Rights Day'. Dr. Sharma will also release a special UN poster on the occasion.

Ever since its constitution, the National Human Rights Commission has been organising functions to mark the Human Rights day in a big way. Celebrations this year have the added significance as it marks the beginning of an year long programmes, coupled, as it is, with the celebrations of 50th year of India's Independence.

The General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights on 10 December 1948, later to be designated as 'Human Rights Day'. A cornerstone in post war human rights regime, the UDHR provides "a common standard of achievement for all peoples and all nations".

Since 1948 the Universal Declaration of Human Rights has been the most important and far-reaching of all declarations, and a basic source of national and international efforts to promote and protect human rights. It has set the direction for all subsequent work in the field of human rights, and has provided the basic philosophy for international conventions designed to protect the rights and freedoms which it proclaims.

The Government of India has drawn up elaborate plans to celebrate the Golden Jubilee of the Declaration. A Committee has been set up, under the Chairmanship of Union Home Minister to draw up, implement and monitor the action plan with Secretaries of various Ministries, human rights activists and experts, Chairperson, UGC and Secretary General, NHRC as members.

Apart from official programs, holding of seminars and human rights awareness camps, activities by corporate and business sectors, educational and health institutions and NGO are being formulated for the "1998 Human Rights Year", beginning on 10 December 1997 and which will culminate on 10 December 1998.

Prof. Soz Address at Kyoto . . . *(Continued from page 9)*

We expect the Conference to cast aside any proposals seeking to disturb the present balance of equities in the Convention. We have come to the Conference with an open mind to contribute to consensus building. But, India categorically rejects ideas suggesting any new commitments for developing countries. The Berlin Mandate had unhesitatingly stated that no new commitments would be introduced for developing countries. And, the Convention, too, is so very clear. The principle of common but differentiated responsibilities recognizes the lack of financial and technological capacities in developing countries

and the fact that developed countries are primarily responsible for climate change.

India's first and overriding priority is poverty eradication and provision of basic human needs. The Convention acknowledges that the share of global emissions originating in developing countries will grow to meet their social and development needs. Per capita emissions in developing countries are still very low. India's per capita emissions are a very small fraction of many of the world's developed countries. Any idea which seeks further to deprive us of our equi-

table entitlement to grow can never be allowed to take root.

Mr. President, It would indeed be unfortunate if proposals to mitigate climate change seek to deny the majority of the earth's population a quality of life consistent with human dignity. Per capita basis is the most important criteria for deciding the rights to environmental space. This is a direct measure of human welfare. Since the atmosphere is a common heritage of humankind, equity has to be the fundamental basis for its management.

Delhi Hosts World Meet on Habitat Development

A two-day International Conference on Habitat and Sustainable Development was held in New Delhi from December 1 to discuss the themes of infrastructure; role of Government and non-government agencies in local development; rural urban interface, including urban slums and disaster mitigation; environmental and sustainable development, renewable sources of energy and solar passive architecture.

The objective of the conference is to develop an action plan for attaining the goals of sustainable development and promotion of integrated rural/urban relationship.

The conference to be held at Vigyan Bhawan, is being organised by the Institution of Engineers under the aegis of World Federation of Engineering Organisations. Supported by at least six Union Ministries along with the Council of Scientific and Industrial Research and the Government of Delhi, the conference will be cosponsored by the Federation of Engineering Institutions of South and Central Asia and Commonwealth Engineers' Council.

According to Mr. O. P. Goel, former Director General, Central Public Works Department, the conference will be inaugurated by Mr. K. Yerranaidu, Union Minister of Rural Areas and Employment. Mr. T. G. Venkataraman, Union Surface Transport Minister, will deliver the presidential address at the inaugural function.

Stating that housing was a major concern Mr. Goel said the conference would focus on environmentally benign solar passive architecture through projection of

the concept of providing 1.5 million solar roofs in the country by the year 2002.

Mr. K. B. Rajoria, Engineer in Chief of Delhi PWD, and secretary general of the conference, said as many as 60 technical papers authored by eminent experts on various themes would be deliberated in the conference. The event was attended by over 1,000 delegates from various fields, including more than 100 from other countries.

Five key-note addresses will be delivered during the two days by internationally known experts. Mr. Rajoria further said that five country papers from Tanzania, Sri Lanka, Nepal, Bangladesh and India would also be presented highlighting the concerns for sustainable development.

Among others, the Lieutenant Governor of Delhi, Mr. Tejendra Khanna, the Delhi Chief Minister, Mr. Sahib Singh Verma would also attend the inaugural function. The Union Minister for Non Conventional Energy Sources, Capt. Jai Narain Prasad Nishad, would deliver the valedictory address on the evening of December 2. The session will be presided over by Mr. Charti Lal Goel, Speaker of Delhi Assembly.

A panel discussion will be held to highlight; policy options for sustainable development with emphasis on rural urban interface. This session which will have participation of two expert panelists from India and abroad each, will be chaired by Mr. Jagmohan, MP and former Governor of Jammu and Kashmir.

Nikhil Chakrabarty to Head Prasar Bharati Board

The Government notified the appointment of a board for the Prasar Bharati. The President, Mr. K. R. Narayanan, appointed the noted journalist, Mr. Nikhil Chakrabarty, as the chairman of the corporation. The former I&B secretary, Mr. S. S. Gill, has been named the CEO.

The other part-time members include the noted historian, Ms. Romila Thapar, Mr. B G Verghese, Mr. Abid Hussain, Mr. U. R. Rao, Mr. S. Padmanabhan and Mr. R. Yadav. Speaking to The Economic Times, Mr. Chakrabarty said that it was too early to comment on the agenda for the Prasar Bharati. He, however, said that the board would have to meet to discuss various issues, particularly the concept of autonomy and a tangible manner of functioning.

Telecommunications

- India has one of the largest telecommunication networks in Asia with extensive terrestrial communication network and other advanced switching and transmission systems.
- Total number of Telephones are 15.24 million.
- 3,75,319 Public Telephones were installed in urban areas as September 97.
- 2,78,832 villages were provided with telephones as of September 97.
- The density is 1.72 for every 100 persons.
- Cellular Mobile Telephone Services have been started in Delhi, Mumbai, Calcutta and Chennai and in select cities of 15 Territorial Telecommunication circles.
- There were approximately 700,000 cellular subscribers as on September 97.
- Paging Service has commenced in 27 major cities and in select cities of 12 Territorial Telecommunication Circles.
- There were 634,000 pager subscribers as on September 97.
- In pursuance of the national Telecom Policy 1994, five companies have signed the licence agreement with the Government for providing Basic Telephone Services in five Telecom Circles.

C-DAC To Promote Computers in Indian Languages

The Graphics and Intelligence Based Script Technology (GIST) Group of C-DAC (Center for Development of Advanced Computing), launched here today nationwide awareness campaign to promote the use of computers in Indian languages. It also aims at going global to nature all living languages of the world.

With the computers moving into rural areas, the need and advantages of localization is felt more. C-DAC is providing tools, expertise and assistance to many global companies for localizing their products and software. Development of new technologies like OCR and Speech input/output in Indian languages are the focus areas of near future.

GIST is a language technology mission of the C-DAC, Pune, an institution of Department of Electronic, Government of India and a national initiative for development of indigenous supercomputers. The GIST technology has evolved to eliminate all language barriers and has provided a complete solution for applications such as data processing, word processing, DTP, graphic design, multimedia and video-works on a wide range of platforms such as DOS, UNIX, MAC and custom hardware. Thus it brings the actual benefit to common man. GIST was established a decade back as national mission to nurture the Indian languages. It has appealed the State Government to support its activities to promote Indian languages through computers.

Economic Reforms Enjoying Consensus Across Wide Political Spectrum: Prime Minister Gujral

The Prime Minister, Mr. I. K. Gujral has reiterated that the economic reforms process is irreversible and enjoys a consensus prevailing across the wide political spectrum in the country.

Addressing the India Economic Summit organized by the World Economic Forum (WEF) and the Confederation of Indian Industry (CII), the Prime Minister said that the reforms process had already been set on a definite track and the fact that different political parties heading various State governments had in fact competed with each other in offering attractive investment packages and undertaken reforms measures at the state level indicated that the process had become irreversible.

Citing some significant games of the process, he said the industrial policy had been made for more simple, liberal and transparent and was geared to promote private investments including foreign investment. The industrial sector was witnessing positive structural changes and improvement in productivity, modernization and infusion of new technology. The Government, he said, had endeavored to address whatever bottlenecks, there had been either in terms of policy or procedure and there had been a definite move towards a more efficient public sector. He expressed the hope that in five to six years the process would not only have taken off but 'the flight would be cruising'. It should be possible to achieve and sustain higher growth rate of over seven to eight percent by the turn of the century.

The following is the text of the Prime Minister's speech on the occasion:

"It gives me great pleasure to be with you today. I am particularly happy to see that this Summit has attracted high level participation both from Government and the corporate world alike. The World Economic Forum (WEF) and the Confederation of Indian Industry (CII) deserves to be congratulated for making these India Economic Summits a regular annual event which is assuming a "mini-Davos" character. The issues identified are compelling and current. I am confident that the policy makers, business leaders and professional experts gathered here will ensure productive and fruitful discussions.

The theme for the current year is interesting - "1997: the year of real economic take-off" is particularly pertinent. May I say in all humility that since I have been heading the government for the larger part of this year, I may be tempted to reply to this question in the affirmative, but I look forward to knowing what conclusions this gathering may reach on these issues. Perhaps only

posterity, say five years hence, can give an accurate reply.

Whatever the take-off date, I have no doubt that we shall be airborne soon. While growth has averaged between 6 and 7% during the last few years, I am confident that it should be possible for us to achieve and sustain higher growth of over 7 to 8% by the turn of the century.

This year marks the Golden Jubilee of our independence. Apart from the accompanying celebrations, it has been a time for reflection as well. Politically, we have guided ourselves during these fifty years with an unshaken faith in democracy and its ideals. The passage of time has only strengthened this faith and the nation's commitment to the democratic process. Governments may change but our democratic polity rests on secure foundations.

On the institutional front too, there have been substantial gains. A well-structured and competent civil service became trained in developmental administration. An independent

and upright judiciary ensured justice and fairplay. A free and vibrant press and alert NGOs help to strengthen our democratic institutions. Above all, it is the people of this country who have zealously protected the democratic institutions and have effectively participated in the process of governance at different levels.

On the development front, challenges faced during these five decades were formidable but notable successes were made in a number of years. Agricultural production rose significantly, meeting the needs of larger and growing population while allowing us to maintain a comfortable food reserve. Industry took roots and entrepreneurship developed. Great strides were made in science and technology including space and biotechnology. The establishment of an extensive network of technical training facilities created one of the largest reservoirs of technical and skilled manpower in the world. The economic reform

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Prime Minister's Speech . . . *(Continued from page 13)*

program that we embarked upon in 1991 has made significant progress during the last six years. Successive governments have given greater scope, content and direction to this irreversible process. Today, our industrial policy is far simpler, liberal and transparent geared to promote private investments including foreign investment. External trade has been liberalized and the tariffs steadily reduced. Import controls that are in vogue on a few of the consumer products, are also proposed to be freed within a fixed time frame. The market plays the most important role in the determination of the exchange rate of rupee. Both personal and corporate tax rates have been brought down significantly. There has also been a great deal of reform in the financial sector and the capital market has witnessed fundamental changes. All in all, I would say that the reform process has been set on a definite track and has become part of our national agenda.

That these policies have been built upon and consolidated by successive governments is a clear indication of the consensus prevailing across the wide political spectrum. Continuity is an essential feature of that continuity. This is discernible even more when we look at the various state governments which, though headed by different political parties, have in fact competed with each other in offering attractive investment packages and undertaken reform measures at the state level. This will become evident when some Chief Ministers speak to you later in the day.

Some benefits of reform have already become available in the form of better growth rates, higher investment flows, increased trade and a comfortable BOP position. Also,

the industrial sector is witnessing positive structural changes and improvements in productivity, modernization and infusion of new technology, even though a section of the Indian corporate sector have had some initial doubts about outside competition. Companies are beginning to consolidate and around their core areas of competence. Several companies have tied up with foreign companies to acquire new technologies, management expertise and access to foreign markets.

Foreign Direct Investment inflows have risen substantially in recent years and the level of 2.6 billion dollars reached just last year has already been surpassed by August this year. Cumulatively, since 1991, Foreign Direct Investment inflows have amounted to 10 billion dollars. While this is an encouraging development, seen against the fact that the total approvals given during the same period were worth 40 billion dollars, we are seriously concerned about follow up action on FDI approvals. All these figures are also much less compared to the potential, and significantly modest when seen against what some other Asian countries have been able to achieve.

In comparative terms, our strengths are many. There is an inherent strength in the large size of our market. Quite apart from the rich natural resource base, we have talented professionals and a skilled work force. Our significant small and medium sector could provide a good support base. The rate of savings in India is one of the highest. We have now brought down inflation to less than 4% and interest rates have also come down significantly. Our fiscal deficits are within manageable limits and foreign exchange reserves are nearly 30 billion dollars.

Since we are here for reflection, we can ask ourselves, why is it that we are not able to attract a greater level of FDI flows commensurate with our size and potential. One reason could be that our reforms are just six years old and the critical mass has not been attained. We may bear in mind that China, whose reform program is close to two decades old, began to attract an annual FDI level of over US \$ 5 billion as well after 10 years of initiating reforms. Of course, soon thereafter, the inflows have been quantum jumps occurring every year, reaching US\$ 42 billion in 1996.

Other reasons for our lagging behind, and this is a perception most often conveyed by potential investors, are the lack of clarity in certain policies and cumbersome procedures of unnecessary delays at implementation levels. There is no doubt that there are areas where we can bring in a lot of improvement. These improvements are in fact happening every day. To give an example, proposals for auto manufacturers were looked at on a case by case basis that led to considerable delays. Only the other day, we have laid down more precise guidelines which should make the ground rules clear to all concerned.

Our present state of infrastructure also needs to be considerably strengthened and expanded in order to support a high growth rate in a sustainable manner. This is an area, which has received great deal of attention during the recent past, and new policies have been initiated in practically every sector. This sector opens up enormous opportunities, as we need to add, over the next five years, approximately 52,000 MW of power, 160 million tons of port capacity, 24 million

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Prime Minister's Speech . . . (Continued from page 14)

telephone lines as well as upgrade the existing national highways connecting the four metro cities to four lane highways. During the last few months it has been my endeavor to address whatever bottlenecks there are either in terms of policy or procedures coming in the way of attracting commercial financing of these infrastructure projects. As a result, we have made some definite progress in the telecom and power sectors. I expect that the roads, ports, civil aviation, mining and oil and natural gas sectors will also see significant breakthroughs. Along with facilitating private sector participation, the need is for putting in place effective mechanisms to regulate such participation in a fair and objective way. This process is also underway.

There is also a definite move towards a more efficient public sector. Greater autonomy has been given to identified public sector companies in order to give them managerial and commercial freedom. On the other hand, Government is in the process of disinvesting its equity in companies where Government's role can easily be reduced. This again opens up attractive possibilities for private sector investment.

There are many more areas where reform measures had been drawn up by my government but could not be carried through fully for want of time. The Insurance Bill, the new Civil Aviation Policy, the new Companies Bill, the Foreign Exchange Management Act are a few of the long-term measures which we hoped to put in place. Well, I am confident that the political consensus that I referred to earlier will steer the economy towards further reform, irrespective of the compo-

sition of the government which comes to power.

"WE OUGHT TO WATCH OUR STEPS AS WE GO AHEAD"

Mr. Gujral's speech at the India Economic Summit of WEF/CII

Friends, I would like you to visualize all these changes taking place and opportunities that are becoming available to India in an enlarged economic space encompasses the whole of South Asia and beyond. Already the South Asian Preferential Trading Agreement is acquiring greater meaning and substance and the SAARC countries are committed to the establishment of a south Asian Free Trade Area by the year 2001. May I hope that the coming days spell the vision of a dynamic South Asian community. Beyond SARC, we have ASEAN with which we have close relations as a full dialogue partner. We are also members of the Indian Ocean Rim whose membership stretches from the Coast of Africa across the Indian Ocean to Australia. We also have institutional linkages with sub-regional African Groupings such as Southern African Development community. Nearer home, along with some neighboring countries, we have also set up a sub-regional program of economic cooperation called BISTEC involving Bangladesh, India, Myanmar, Sri Lanka and Thailand.

As all these linkages and groupings gain ground, the economic space will become much larger and the opportunities would accordingly multiply. That being the conducive setting we are in, I am confident that within a period five to six years from now, we would not only have

taken off but the flight would be cruising. Let me invite you to come on board as quickly as you can.

Before I conclude, I wish this Summit meeting every success in its deliberations. Let me also hope that the foreign delegates who have come from distant places will have an opportunity to visit other cities and places in India. This will allow you not only to assess the potentials and possibilities of investment and trade, but also provide you a glimpse of our rich culture and heritage".

Later, answering questions, the Prime Minister said that the Indian political system is very stable being primarily consensus based: whether it is foreign policy or economic policy. He said he had no reason to think that there would be any change in that whichever party came to power. As for delays in the process, he termed them as 'hiccups' adding that no process of the government functioning had been stopped. He said while in the implementation of the reforms process one had to come face to face with the formidable mindset, yet a major transformation was taking place despite a clash of attitudes. As economy ultimately is for social service; therefore social changes were called for. 'Economic reform is induction of new culture', he said.

The Prime Minister also sounded a note of caution saying that the policy makers have to be cautious of the real intentions of those whom were masters of world economy as to whether they would manipulate and whether there would be any political dimension to it. 'We want to go ahead but also watch our steps considering what befell Mexico and the currency crisis in the Asian tiger countries', the PM said.

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Indian Embassy Delegation Greets First Indian-American Astronaut

An Indian delegation headed by the Charge d' Affairs of the Indian Embassy, Mr. T.P. Sreenivasan visited the Kennedy Space Center in Florida to greet the first Indian-American astronaut, Dr. Kalpana Chawla, on the eve of the launch of the space shuttle, Columbia. "This is a proud moment for India", Mr. Sreenivasan told Dr. Chawla. He said that Dr. Chawla had added a new and glorious chapter to the history of the Indian-American community, which had made a significant contribution to different facets of life in the United States. He noted that Dr. Chawla was not only born in India, but also had received her early education there. Her early upbringing and education in India, not to speak of her Indian heritage, must have played a significant role in her accomplishment, he said.

Dr. Chawla thanked the people and the Government of India for their affection and encouragement and expressed the hope that her flight would further strengthen the co-operation between the two countries.

The delegation, which included Dr. L. S. Satyamurthy, Counsellor (ISRO) and Dr. A. K. Jain, Counsellor (Science) also called on Mr. Roy Bridges Jr., the distinguished astronaut and Director of the Kennedy Space Centre, and discussed the prospects of space co-operation between India and the United States.

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