

## Feature: Sri Lanka

### Three reasons of concern

Three reasons explain why New Delhi is so worried about the current situation in Sri Lanka and the military offensive against LTTE leader Prabhakaran and his last resistant tigers.

#### First, the immediate Indian electoral context.

Tamil Nadu, India's neighbouring state to Sri Lanka, votes on May 13 and all its regional parties have already voiced their unconditional support to their "tamil brethren" across the strait. They have been persistently pressuring the Manmohan Singh government to intervene in Sri Lanka, proposals varying between more diplomatic pressure to stop "the genocide", and direct military intervention.

#### Second, the uncertain post-conflict scenario.

Once the LTTE is effectively defeated, how will the tamil minority react? Will Colombo persist with its unitary state model? These are questions of tremendous importance to India's security and stability - there are more than one hundred thousand Sri Lankan tamil refugees in Tamil Nadu alone, and crucial citizenship issues remain to be settled bilaterally.

And third, the ever increasing China factor. It is no secret that the current offensive of the Sri Lankan army has been made possible by the intense military and diplomatic support Beijing has been pampering Colombo with during recent years. Analysts in New Delhi therefore speak of the opening of "a new Southern flank", the India-China clash of priorities in South Asia assuming an increasing Cold War context.

**Forecast:** Until mid-May, India will keep sending its special envoys to Colombo to achieve one single objective: delay the military offensive until election results are announced in India on May 16.

Subsequently, it all depends who then will be in power in Delhi. The BJP nationalists may privilege pure power politics to win over Colombo against the Chinese, its hawks advocating greater military projection. A Congress government will probably preserve its current strategy to further integrate Sri Lanka via trade, investments and soft power with South India.

*Constantino Xavier*

## From & On India

### The Western Front

#### Power play in Afghanistan

*G. Parthasarathy* "While a firm posture by India has persuaded the US that its "AfPak" strategy should not seek to venture into bilateral relations between India and Pakistan, India cannot remain unconcerned about the Chinese efforts to persuade the international community to dabble in India-Pakistan relations."

<http://www.tribuneindia.com/2009/20090430/edition.htm#4>

#### Pakistan's nukes not of immediate concern

*Lt Gen Vinayak Patankar* "Despite Pakistan President Asif Ali Zardari's repeated assurances that Pakistan's nuclear arsenal is safe there are serious apprehensions in India that it may fall into the wrong hands. We need to see a more realistic perspective"

<http://www.observerindia.com/cms/sites/orfonline/modules/analysis/AnalysisList.html?cmaid=16182>

### India & China

#### Chinese sea dragon shows off its new six-pack

*Arun Kumar Singh* "Fortunately, in the last few years, all Indian governments have been supportive and appreciative of the Indian Navy's contribution to national security and building friendly bridges across the seas."

<http://www.asianage.com/presentation/leftnavigation/opinion/op-ed/chinese-sea-dragon-shows-off-its-new-six-pack.aspx>

#### India & China: Looking Ahead

*B. Raman* "the Chinese Armed Forces are never short of funds for their modernisation. The Indian Armed Forces are perpetually short of funds. This has given China a head start in the development of its strategic sectors. Its focus has been on strengthening its naval and space capabilities."

<http://www.southasiaanalysis.org/%5Cpapers32%5Cpaper3173.html>

### China's Asian Military Doctrine

*Bhaskar Roy* "China is increasingly feeling that its carefully crafted policy over decades to dominate Asia without any challenge is being threatened by India's development into a global power of considerable acceptance from a sub-continental cage."

<http://www.southasiaanalysis.org/%5Cpapers32%5Cpaper3166.html>

### Chinese antics have India fuming

*Sudha Ramachandran* "Days after the setback at the ADB, India struck back. It turned down China's informal request to be included in some form, ie as observer or associate member, into the 33-member Indian Ocean Naval Symposium (IONS)"

[http://www.atimes.com/atimes/South\\_Asia/KE05Df01.html](http://www.atimes.com/atimes/South_Asia/KE05Df01.html)

### The hug of the dragon

*C K Lal* "Even though the Chinese need Colombo, Dhaka, Islamabad and Kathmandu as much as these Southasian capitals need Beijing at international forums, there is a widely shared view in the region that the regime in Beijing can be a rescuer in times of need." [http://www.himalmag.com/The-hug-of-the-dragon\\_nw2920.html](http://www.himalmag.com/The-hug-of-the-dragon_nw2920.html)

See also *Himal* special issue on China:  
<http://www.himalmag.com/index.php>

## Strategic Masala

### Should India be worried with Obama's new Asia policy?

*Dilip Lahiri* "there will be an abiding convergence of interest in the Asia Pacific between the US and India, and indeed also Japan, ROK, ASEAN and Australia, in making sure that the rise of China is peaceful and non - threatening, and does not disturb the balance and stability of the region."

<http://www.observerindia.com/cms/sites/orfonline/modules/analysis/AnalysisList.html?cmaid=16194>

### The missing security experts

*Bharat Karnad* "the new dispensation assuming power mid-May should, for starters, create advisory posts at the highest level in the defence and external affairs ministries and departments such as atomic energy and space, and fill them with outside experts"

<http://www.livemint.com/2009/04/30212844/The-missing-security-experts.html>

### After the euphoria, the harsh reality

*Brahma Chellaney* "The much-trumpeted nuclear deal has failed to yield strategic benefits for India. Such is its burden that even as U.S. policy ignores vital Indian interests in the region, New Delhi stays mum."

<http://www.hindu.com/2009/05/01/stories/2009050155421000.htm>

### An Indian spy in the sky

*Ajeey Lele* "A PSLV rocket launched Risat-2, a 300-kg satellite developed with Israeli assistance, into a 550-km high circular orbit. It will stay up there for at least three years and keep an eye on terror routes, Pakistani troop movements, their missile deployments and test-firings, and, playing the role of a good neighbour, even on Pakistan's agricultural crops."

<http://www.deccanchronicle.com/sunday-debate/indian-spy-sky-009>

### Release Authority: Who Will Press The Button?

*PR Chari* "It is consequently imperative that the fear of nuclear retaliation must remain credible at all times. Hence, the personage charged with the ultimate authority to order the use of nuclear weapons should be clearly identified and remain available 24x7."

[http://www.ipcs.org/article\\_details.php?articleNo=2858](http://www.ipcs.org/article_details.php?articleNo=2858)

### Raising profile as a maritime power in East Asia

*P. S. Suryanarayana* "Looking beyond India's sea-faring soft power along the Straits of Malacca and Singapore, what is the meaning of New Delhi's ongoing naval exercise with the U.S. and Japan?"

<http://www.hindu.com/2009/05/02/stories/2009050255150900.htm>

### Fresh initiatives in SCO expansion

*Vladimir Radyuhin* "Now that Russia and the U.S. have declared their resolve to reverse the downward trend in their bilateral ties, India may be less apprehensive about taking part in the SCO's defence activities."

<http://www.hindu.com/2009/05/04/05headline.htm>

## From The Cabinet

### Exercise Hind Shakti begins

The Indian Army begins its major training exercise, aimed at validating and enhancing operational effectiveness of its premier corps, the KHARGA Corps. Codenamed Exercise HIND SHAKTI, it commenced yesterday in Punjab.

<http://pib.nic.in/release/release.asp?relid=48599>

## On The Agenda

### Hamid Ansari to visit S Africa to attend inauguration of President Zuma

Reflecting the importance India attaches to its ties with South Africa, Vice President Hamid Ansari will represent New Delhi at the inauguration of President Jacob Zuma on May 9.

<http://www.hindu.com/thehindu/holnus/001200905061851.htm>

## Delhi Diplomacy

### Washington's China focus may impact Indo-US ties: Blackwill

Preliminary indications suggest that the Obama Administration has a different policy orientation towards India, and a Chinese preoccupation may downgrade India's place, according to Mr Robert D Blackwill, former US Ambassador to India.

<http://www.thehindubusinessline.com/2009/05/06/stories/2009050651781500.htm>

## Domestic Arena

### Another accidental PM after the elections?

*Amulya Ganguli* "Although the Congress has stood by the present incumbent, Manmohan Singh, there is speculation that he may be asked to stand aside in case the party needs the Left's support to form a government."

[http://indiatoday.intoday.in/election2009/index.php?issueid=&id=39934&option=com\\_content&task=view&sectionid=90&secid=0](http://indiatoday.intoday.in/election2009/index.php?issueid=&id=39934&option=com_content&task=view&sectionid=90&secid=0)

### Indian elections: So far, so good

*Neeta Lal* "what will be of most concern to the Indian electorate ultimately is the type of coalition government that will emerge out of the current chaos and alphabetical soup of regional parties"

[http://www.atimes.com/atimes/South\\_Asia/KE01Df04.html](http://www.atimes.com/atimes/South_Asia/KE01Df04.html)

## Politics debased in Tamil Nadu

*Santwana Bhattacharya* "The election results due this month in Tamil Nadu could determine which alliance rules New Delhi. Therefore, the Sri Lanka crisis is playing out much bigger there than it would have

"normally". "[http://www.atimes.com/atimes/South\\_Asia/KE05Df02.html](http://www.atimes.com/atimes/South_Asia/KE05Df02.html)

## Battering ram

*Pratap Bhanu Mehta* "The real revolution that has come about because of the social churning over the last two decades is that voters are looking for instruments of empowerment, not palliative handouts from the state. The Congress still has not found a language to articulate this."

<http://www.indianexpress.com/news/battering-ram/452416/>

## Economy

### Buy IMF bonds, but let it first regain credibility

*Paranjy Guha Thakurta* "No decision on recapitalising the Fund should be taken before a new government is in place in New Delhi and before a national debate takes place on the precise nature of the "reforms" the international "reformer" needs to undertake."

<http://www.asianage.com/presentation/leftnavigation/opinion/op-ed/buy-imf-bonds,-but-let-it-first-regain-credibility.aspx>

# India goes South

## India & Africa

### India joins race for land in Africa, China way ahead

More than a dozen companies from India, backed by the government, invested about \$2 billion (Rs 10,000 crore) in leasing land and installing plants in Ethiopia last year to produce sugar, tea and several other crops.

<http://www.hindustantimes.com/StoryPage/StoryPage.aspx?id=6de56eca-9252-4108-a3ef-773fed9d66a1>

### NSE to prepare blueprint for pan-African stock exchange

The National Stock Exchange (NSE) has been asked to prepare a blueprint for a pan-African stock exchange in a move that would help deepen India's economic engagement with the continent.

<http://economictimes.indiatimes.com/News/Economy/Policy/NSE-to-prepare-blueprint-for-pan-African-stock-exchange/articleshow/4484343.cms>

### BPCL to take tech to Africa, Europe

Bharat Petroleum Corporation Ltd (BPCL), the country's second biggest oil refiner, is looking to take its unique metal-cutting technology to Africa and Europe.

<http://www.dnaindia.com/report.asp?newsid=1253302>

### Uganda Opens Avenues of Growth for Indian SMEs

Indo-Uganda bilateral trade has increased from \$112.06 million in 2006-07 to \$168.76 million in 2007-08.

<http://www.bestsyndication.com/?q=node/29043>

### ONGC goes slow in Nigeria

Oil and Natural Gas Corporation has sought greater clarity from the Nigerian government vis-à-vis its rights over oil blocks 321 and 323 that were previously with Korean National Oil Corporation (KNOC).

[http://www.telegraphindia.com/1090504/jsp/business/story\\_10912889.jsp](http://www.telegraphindia.com/1090504/jsp/business/story_10912889.jsp)

## Mozambique

### Riversdale secures Mozambique contract

Riversdale Mining has secured an important mining contract for its US\$800m Mozambican Benga coking and thermal coal. India's Tata Steel has a 35% stake in the project.

<http://www.miningmx.com/energy/146124.htm>

## India & Latin America

### IOC for 4% stake in Venezuela oilfield

Indian Oil Corp (IOC) will take just one-tenth of the 40 per cent stake the grand alliance of Oil and Natural Gas Corp (ONGC) and Reliance Industries along with the state refiner is eyeing in a vast oilfield in Venezuela.

[http://sify.com/finance/fullstory.php?a=je4oHhcejdf&title=IOC\\_for\\_4\\_stake\\_in\\_Venezuela\\_oilfield](http://sify.com/finance/fullstory.php?a=je4oHhcejdf&title=IOC_for_4_stake_in_Venezuela_oilfield)

### Coromandel Fertiliser to form JV with Chilean firm for water-soluble

Coromandel Fertilisers (CFL), part of the \$2.4 billion Murugappa Group, will set up a water-soluble fertiliser manufacturing unit in Andhra Pradesh through a 50:50 joint venture (JV) with Chile-based \$1.8 billion SQM.

<http://www.mydigitalfc.com/companies/coromandel-fertiliser-form-jv-chilean-firm-water-soluble-611>

## Brazil

### India's Bajaj buys 50,000 T raws from Brazil

India's top sugar producer, Bajaj Hindusthan Ltd, has contracted to import 50,000 tonnes of raws, its first purchase this season, but more deals are unlikely as global prices have risen

<http://in.reuters.com/article/domesticNews/idINLT89294420090429>

### India and Brazil to File Complaint at WTO against EU MNCs

India and Brazil will lodge a complaint with the World Trade Organization (WTO) against the European Union alleging that African countries are being persuaded by Europe-based multinational pharmaceutical firms to enact anti-counterfeit laws. <http://iitrade.ac.in/news-detail.asp?news=580>

### Aptech forays into Brazil, enters into a joint venture with the Falgo group

Aptech Limited, a global retail & corporate training solutions major, has announced its plans to

enter the Brazilian market by partnering with a Brazilian group through a Joint Venture (JV).

<http://www.prdomain.com/companies/A/Aptech/newsreleases/200942870597.htm>

### Surya Brasil to setup manufacturing facility in India

Surya Brasil, a Brazilian personal care firm, has plans to setup up a manufacturing facility in the India, to cater the growing demand for its products in the region. <http://www.topnews.in/surya-brasil-setup-manufacturing-facility-india-2156728>

## India & Portugal

### Grupo Investvar quer alienar duas fábricas em Portugal

... a recomendação de reforçar a produção (da Aerosoles) na Índia, onde a Investvar tem também uma fábrica e 550 trabalhadores, deverá ditar, ainda, a alienação de duas unidades industriais em Portugal.

<http://aeiou.expresso.pt/gen.pl?p=stories&top=vie w&fokey=ex.stories/512649>

### Suzlon pays second tranche to Martifer

Pune-based Suzlon Energy, India's largest and the world's fifth-largest wind turbine manufacturer, has made the second tranche payment due to Martifer Group of Portugal.

<http://www.dnaindia.com/report.asp?newsid=1252159>

## Macao

### The Venetian Macao keen to tap Indian MICE outbound market

The five-star luxury hotel and casino resort in Macau, China, is keen to tap the Indian outbound market with a focus on the meetings, incentives, conferences and exhibitions (MICE) segment.

<http://www.hospitalitybizindia.com/detailNews.aspx?aid=4573&sid=1>

### Worldwide Bollywood fans to have their eyes on Macau

The 10th International Indian Film Academy (IIFA) which will be held at the Venetian Macao Resort Hotel from June 11-13 will be broadcast globally by STAR TV to nearly 500 million people in 110 countries.

[http://www.macaodailytimesnews.com/index.php?option=com\\_content&task=view&id=26715&Itemid=28](http://www.macaodailytimesnews.com/index.php?option=com_content&task=view&id=26715&Itemid=28)

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