

Feature: Nepal

To engage Nepal – why so difficult?

Precisely when it most needs to concentrate on its domestic politics and stability, India is being plagued by worsening conditions in its regional neighbourhood. As if the Tamil Nadu - Sri Lanka nexus wasn't enough, now Nepal risks sliding back into chaos. New Delhi has its own share of responsibilities in this, continually shifting sides and unable to deal with the Maoist guerrilla-turned-government. Yet, India's position is far from easy. Its Nepal policy is a constant hostage and fluctuates according to four factors.

First, New Delhi sees the Maoist guerrilla, and now the CPI-M, as a threat to its internal stability, in specific by instigating (or just inspiring) the India-based Naxalite insurgency. The Indian "Red Corridor" connects in Bihar, in the North, with Nepal, and traverses India's hinterland from North to South, up to Bangalore, affecting central mining and industrial areas. The Naxalites, who welcomed the Maoist "victory" in Nepal, have been described by Singh as the India's "largest internal security challenge".

Second, there are increasing signs that China is preparing to cross the Himalayas

into Nepal and transform the former kingdom into its strategic dependant. Beijing is one of its main foreign investors, has been training the new Nepalese Army, and there are plans to extend the Lhasa railway to Kathmandu. For India, which always conceived of Nepal as its strategic backyard, this China offensive naturally comes as shocking news, forcing it to completely re-evaluate its priorities.

Third, there are latent ethnic conflicts within Nepal that directly involve India. The plains of Southern Nepal, the Terai region, is dominated by ethnic Indian minorities which are share far more with the Gangetic Indian populations of Bihar and Uttar Pradesh than with the Nepali "hill people" of Kathmandu and beyond. There have been separatist calls for an independent Terai or a merger with India, but New Delhi has been conspicuously silent over this.

Finally, as South Asia's "big bully", India has never been seen in a positive light by the Nepalese themselves. Anti-India rhetoric regularly punctuates Nepal's foreign policy, and this is reflected on the ground, where riots against Indian citizens, diplomatic representations and business interests have been increasing over the last decade. This was further exacerbated by New Delhi's untimely support to King Gyanendra.

Constantino Xavier

In the Press

India's Nepal policy in disarray

Siddharth Varadarajan New Delhi has sacrificed the prospects of long-term democratic stability in Nepal for the short-term satisfaction of undermining the Maoists.

<http://www.hindu.com/2009/05/07/stories/2009050755400800.htm>

'The perception that Nepal is tilting to China is exaggerated'

Interview with Prime Minister "Prachanda" on Nepal, relations with India and China's increasing presence in the former kingdom. <http://www.hindu.com/2009/05/12/stories/2009051252420900.htm>

"We have a very specific type of relation with India – an open border, history, culture"

Prime Minister of Nepal, Prachanda

<http://www.hindu.com/2009/05/12/stories/2009051252420900.htm>

Post Prachanda

Editorial During Maoist institution-wrecking, as they signed the peace and friendship agreement with China, India preferred to remain in the sidelines. It must now talk to all actors, and forthrightly.

<http://www.indianexpress.com/news/post-prachanda/454500/>

Surreptitious Revolution

Fakir Mohan Pradhan ...it is now abundantly clear that the Maoist engagement with democracy is purely tactical and is only a stop-gap arrangement to secure the complete subversion of parliamentary democracy in Nepal.

<http://www.satp.org/satporgtp/sair/index.htm#assessment2>

Prachanda's video remarks

<http://blogs.outlookindia.com/default.aspx?ddm=10&pid=1778&eid=5>

The Western Front

Af-Pak: After America, look out for Arabia and Persia

C. Raja Mohan As it engages Washington, New Delhi must also quickly connect with Riyadh and Tehran.

<http://www.indianexpress.com/news/afpak-after-america-look-out-for-arabia-and-persia/456305/2>

60 miles from nowhere

C. Raja Mohan India's immediate priorities must be two-fold. One is to prevent another major terrorist attack from across the border that would suck India into a broadening Af-Pak conflict. The other is to develop a range of credible options that would allow New Delhi to intervene in the Af-Pak crisis at a time and place of its own choosing.

<http://www.indianexpress.com/news/60-miles-from-nowhere/454981/>

Pak-US counter-terrorism strategies are flawed

Satish Kumar The US should realise that India has already reached the limits of its patience with regard to Pakistan-based and Pakistan-sponsored acts of terrorism.

<http://www.asianage.com/presentation/leftnavigation/opinion/op-ed/pak-us-counter-terrorism-strategies-are-flawed.aspx>

India & China

India looks on as the East integrates

Zorawar Daulet Singh Instead of overstating China's economic story, New Delhi should become better acquainted with the integration dynamic in East Asia, one that is already transforming political choices in the region.

http://www.atimes.com/atimes/South_Asia/KE07Df01.html

China-India equation still uncracked

Jian Junbo India should not be too sensitive to Chinese activities overseas, especially in the Indian Ocean and its neighboring countries, as these are mainly related to China maintaining its fast-growing economy.

<http://www.atimes.com/atimes/China/KE07Ad01.html>

Changing China

Nitin Pai unless the next government—regardless of whether it is the UPA, NDA or a Ghastly Numbered Front that comes to power—firmly resolves to ensure that India's strategic frontiers are not rolled inwards, strategic containment is assured

Special issue of Pragati on CHANGING CHINA:
<http://pragati.nationalinterest.in/2009/05/changing-china/>

Strategic Masala

A fine balance

Christopher Clary & Mara E. Karlin India has masterfully balanced its competing partnerships in the Middle East. empty rhetoric or studied ambiguity won't withstand the increased scrutiny that comes with international prominence

<http://www.indianexpress.com/news/a-fine-balance/456650/0>

Neighbourhood in turmoil

K Natwar Singh Whatever government is sworn in after the 16th of May 2009, its first foreign policy priority should be to carefully prepare a road map for the SAARC region.

<http://www.indianexpress.com/news/neighbourhood-in-turmoil/454513/0>

A distracted India ignores crisis engulfing neighbourhood

C. Uday Bhaskar India must take empathetic cognizance of this humanitarian tragedy in Pakistan and Sri Lanka and provide what succour it can in a manner that would be politically acceptable to these two countries.

<http://www.southasiamonitor.org/2009/May/news/10bhaskar.shtml>

Terrorism and Armed Violence in India: An Analysis of Events in 2008

Devyani Srivastava This report provides a review of all forms of armed conflict in India for the year 2008 including separatist movements, left-wing extremism, and religious fundamentalism.

http://www.ipcs.org/publications_special_details.php?recNo=258&pT=4

Improving India's Counterterrorism Policy after Mumbai

Paul Staniland Thoroughgoing institutional reform in India will be challenging. The country suffers from a fragmented and inefficient bureaucracy, far fewer resources than developed countries even though it faces a higher threat level...

http://belfercenter.ksg.harvard.edu/publication/18979/improving_indias_counterterrorism_policy_after_mumbai.html

India's Role in Democracy Promotion

C. Raja Mohan says India has to be "extra careful" and should take a "cautious, multilateral, and cooperative approach" in the region. He says India's biggest contribution to democracy promotion globally would be the success of its own democratic experiment.

http://www.cfr.org/publication/19366/indias_role_in_democracy_promotion.html

Delhi Diplomacy

Transcript: Senior ex-US diplomat on India-US relations

Edited version of a speech on "The Future of US-India Relations" delivered by Robert D. Blackwill, former US envoy to India, in New Delhi on 5 May 2009. http://www.ft.com/cms/s/0/1ec735fe-3a12-11de-8a2d-00144feabdc0,dwp_uuid=a6dfcf08-9c79-11da-8762-0000779e2340.html

Domestic Arena

The show goes on

B.G. Verghese Some worry about no party or formation winning a "majority" and there being a "hung parliament", an unstable coalition and the prospect of fresh elections within a year or two. <http://www.financialexpress.com/news/the-show-goes-on/456850/0>

Fractured mandate first-aid

Subhash C. Kashyap The president, in the post-May 16 scenario, will be well-advised to rise to the occasion and act at once on the election results without giving time for post-poll reallocation of forces, possibly through the buying and selling of members or perhaps the tactics of temptation and blackmail.

<http://www.indianexpress.com/news/fractured-mandate-firstaid/456170/0>

Economy

Developing countries to act as cushion for Indian exports

Developing countries, which account for 40 per cent of India's exports, can give a big cushion to country's external trade as they are not as badly hit by the global downturn as the US, Japan and Europe.

<http://economictimes.indiatimes.com/Economy/Developing-nations-cushion-India-export/articleshow/4505650.cms>

Why the future belongs to India

Gurcharan Das the Indian way is likely to be more enduring because the people have scripted India's success while China's state has crafted its success. This worries China's leaders who ask, if India can become the world's second fastest economy despite the state, what will happen when the Indian state begins to perform?

<http://timesofindia.indiatimes.com/Gurcharan-Das-Why-the-future-belongs-to-India/articleshow/4504408.cms>

India goes South

India & Africa

India-Africa Enterprise Set to Boom

Two documents, the Delhi Declaration and the India-Africa Framework for Cooperation, were adopted at the end of the April summit and now serve as the contours for systematic engagements of the two during the coming years.

<http://www.newera.com.na/article.php?articleid=4146>

India, South Africa to bolster economic ties

Two-way investments are estimated at \$2.5 to 3 billion covering a large number of sectors. Approximately 40 Indian companies are here including big names such as the Tatas, Mahindra & Mahindra and Ranbaxy.

<http://www.hindu.com/2009/05/11/stories/2009051150511300.htm>

India asks Africa to keep doors open to generic drug imports

"For the sake of their own people, Africa should not allow the ratification of banning generic medicine products," Rajeev Kher, joint secretary in India's Ministry of Commerce and Industry.

<http://www.hindu.com/thehindu/holnus/099200905101413.htm>

Somali pirates kill Indian sailor, injure another

Somali pirates shot dead an Indian sailor and injured his compatriot on board a ship hijacked in January this year, the Directorate of Shipping said here tonight.

<http://www.ptinews.com/pti%5Cptisite.nsf/0/C51C93C9C5172722652575B100662C2E?OpenDocument>

Gold dust from Tanzania lands in customs net

Customs sleuths on Monday seized 2.786 kg of gold at Bengaluru International Airport (BIA); the gold was smuggled from Tanzania.

<http://timesofindia.indiatimes.com/Bangalore/Gold-dust-from-Tanzania-lands-in-customs-net/articleshow/4511255.cms>

IOC buys 6 mln barrels W.African crude - trade

India's largest state-owned refiner Indian Oil Corp (IOC) has bought 6 million barrels of West African crude via tenders for June and July loading, traders said on Tuesday

<http://in.reuters.com/article/businessNews/idINIndia-39433120090505>

Mozambique

Exim Bank of India Extends US\$30 Mn LoC To Mozambique

India's Export Import Bank (Exim Bank) has opened up a credit line to the value of US\$30 million for Mozambique to fund rural electricity projects. ... fifth credit line for Mozambique opened up by the bank at the request of the Indian government, with the running total standing at US\$115 million.

<http://www.tradingmarkets.com/.site/news/Stock%20News/2319015/>

India & Latin America

Chile to sign trade agreement with India

Chile which favours free trade agreements with as many countries as possible to boost its overall trade volume, does not see any problem if a similar kind of trade agreement is signed with India.

<http://economictimes.indiatimes.com/News/Economy/Foreign-Trade/Chile-to-sign-trade-agreement-with-India/articleshow/4510854.cms>

Jindal Begins Producing Gas in Bolivia for Export to Argentina

India's Jindal Steel & Power has started producing natural gas in Bolivia that will be exported to Argentina, a company executive told Efe on Monday.

<http://www.laht.com/article.asp?ArticleId=334418&CategoryId=14919>

Brazil

Wipro Technologies quer expandir atuação no Brasil

Wipro Technologies, braço de outsourcing do grupo indiano Wipro, planeja expandir sua atuação nos chamados mercados emergentes e conquistar clientes em indústrias onde ainda não atua

<http://www.tiinside.com.br/News.aspx?ID=129217&C=265>

Primeiro avião de combate russo pós-soviético decola este ano

Índia e Brasil podem ter envolvimento estreito nos planos da Rússia de produzir um jato de quinta geração que seria multifuncional e capaz de voar de dia ou à noite, sob qualquer tipo de condições climáticas.

<http://oglobo.globo.com/mundo/mat/2009/05/11/primeiro-aviao-de-combate-russo-pos-sovietico-decola-este-ano-755807173.asp>

Caminho da Índia

O objetivo do governo Lula é elevar o comércio bilateral dos atuais US\$ 4,6 bilhões para até US\$ 10 bilhões em 2010. Em 2008, o Brasil exportou para a Índia US\$ 1,1 bilhão, mas importou três vezes mais

<http://empresas.globo.com/Empresasnegocios/0,19125,ERA1698509-2991,00.html>

Índia & Portugal

Investors force Suzlon to recast \$500-mn FCCB terms

Suzlon Energy, the world's fifth-largest wind turbine maker, will have to revise the terms of its \$500-million foreign currency convertible bonds (FCCBs) maturing in October 2012, after a proposal to restructure them was rejected by investors.

<http://economictimes.indiatimes.com/News/News-By-Industry/Energy/Power/Investors-force-Suzlon-to-recast-500-mn-FCCB-terms/articleshow/4484517.cms>

Macao

Macau.com Partners With The International Indian Film Academy (IIFA)

Macau.com, the leading online destination marketing and travel company in Macau is the official travel partner for the International Indian Film Academy (IIFA) Weekend & Awards 2009.

<http://www.prweb.com/releases/macau-hotels/hong-kong-hotels/prweb2386384.htm>

SUBSCRIBE the Lisbon India Monitor at www.ipri.pt