

The Monitor is going through an initial test phase. Feedback is welcome.

Himalayan trade wars

Analysis

Constantino Xavier

India and China have never been closer - that is an undeniable fact. *China recently replaced the US as New Delhi's no. 1 trading partner.* Bilateral trade rose sharply to \$51 billion in 2008-09, a 30% increase over the previous year. Never before had so many goods, services and investments travelled across the Himalayas.

The usual functionalist story goes like this: the Sino-Indian rapprochement is an indicator of growing peace and understanding between the two Asian giants. They are integrating their markets, trading and creating unprecedented economic synergies, which will eventually spill over to the benefit of the rest of Asia.

For those knowledgeable about European history, there is an obvious flaw to this narrative: *with greater proximity and integration, come also new irritants and tensions are bound to emerge.* India imports four times more than it exports to China - a growing asymmetry that is making New Delhi nervous. Chinese investments in port, telecommunication and other "strategic" infrastructures in India have thus been blocked on "security" grounds.

And now the trade war. There already are bans imposed on Chinese toys, steel and industrial equipments, but the *Indian Government's most recent veto on Chinese milk and milk related products last week came as the last drop - Beijing immediately reacted* by imposing a similar ban on Indian seafood and sesame oil.

The bottom line is: India and China will have to sort this out bilaterally, for example by making use of their Joint Economic Group on Economic Relations and Trade, instead of running to the WTO or dumping and banning each other out.



In the Press

Ban Barter: China threatens restrictions on food imports

{ [HYPERLINK](#)
"http://economictimes.indiatimes.com/articleshow/4827727.cms?prtpage=1" }

India imposed trade defence steps 26 times in past 16 months

{ [HYPERLINK](#)
"http://economictimes.indiatimes.com/articleshow/4826860.cms?prtpage=1" }

Assocham demands import duty on Chinese power equipment

{ [HYPERLINK](#) "http://www.topnews.in/assocham-demands-import-duty-chinese-power-equipment-2194574" }

India bans chocolate imports from China: report

{ [HYPERLINK](#)
"http://www.google.com/hostednews/afp/article/ALeqM5is1F1eFSsuaYrOd cJR0xLFwJSug" }

EU deadline, China factor threaten seafood exports

{ [HYPERLINK](#)
"http://www.thehindubusinessline.com/2009/07/29/stories/2009072951862

200.htm" }

India, China not rivals, but partners in emerging Asia: S M Krishna

Rejecting speculation about the Chinese threat, Krishna said he conveyed to his Chinese counterpart India's desire to forge "a lasting friendship and partnership" in the region. { [HYPERLINK](#)
"http://timesofindia.indiatimes.com/articleshow/4806693.cms" }

India, China vow to further trade ties

{ [HYPERLINK](#)
"http://www.hindu.com/2009/07/23/stories/2009072360691000.htm" }

US & India

A few steps forward

Sumit Ganguly Clinton's visit, contrary to its critics, has accomplished much. The task before Indian and American policymakers now is to keep building on the existing foundations. { [HYPERLINK](http://www.dnaindia.com/opinion/main-article_a-few-steps-forward_1277400) "http://www.dnaindia.com/opinion/main-article_a-few-steps-forward_1277400" }

New Configuration of Obama's Asia

Harsh V. Pant From being viewed as a rising power and a balancer in the Asia-Pacific region, India is now back to being seen as a regional South Asian actor. { [HYPERLINK](http://yaleglobal.yale.edu/display.article?id=12590) "http://yaleglobal.yale.edu/display.article?id=12590" }

The bottom line behind India-U.S. 3.0

Siddharth Varadarajan If India-U.S. 2.0 was all about laying the groundwork for cooperation in a variety of fields, India-U.S. 3.0 is where Washington gets to cash in. { [HYPERLINK](http://www.hindu.com/2009/07/24/stories/2009072454970800.htm) "http://www.hindu.com/2009/07/24/stories/2009072454970800.htm" }

End-use monitoring woes for India

Brahma Chellaney But EUMA is no insignificant accord: It imposes on India conditions that no other arms-supplying state has ever sought. { [HYPERLINK](http://www.hindu.com/2009/07/27/stories/2009072755490800.htm) "http://www.hindu.com/2009/07/27/stories/2009072755490800.htm" }

The Western Front

Balochistan: The Pak Psywar

B. Raman Far-sighted Indian leaders refrained from taking advantage of Pakistan's internal problems in retaliation for its use of terrorism against India. { [HYPERLINK](http://www.southasiaanalysis.org/%5Cpapers34%5Cpaper3319.html) "http://www.southasiaanalysis.org/%5Cpapers34%5Cpaper3319.html" }

India and the Baloch insurgency

Hamid Mir If Indians come out openly in support of the BLA, anti-Indian elements in Pakistan will quickly bracket New Delhi with the alleged great game of the U.S. against Iran. { [HYPERLINK](http://www.hindu.com/2009/07/28/stories/2009072855170900.htm) "http://www.hindu.com/2009/07/28/stories/2009072855170900.htm" }

Settling scores, but at whose cost?

Kamal Siddiqi While India may have some role to play in creating trouble, the problem actually lies with us. We need to wake up to Balochistan. { [HYPERLINK](http://www.thenews.com.pk/daily_detail.asp?id=190049) "http://www.thenews.com.pk/daily_detail.asp?id=190049" }

India & China

Delhi shuts out Uighur matriarch

India has denied a visa to Rebiya Kadeer, the Uighur matriarch exiled by China, on the advice of Beijing which accuses the 62-year-old of inciting the recent violence in Xinjiang. { [HYPERLINK](http://www.telegraphindia.com/1090726/jsp/frontpage/story_11283909.jsp) "http://www.telegraphindia.com/1090726/jsp/frontpage/story_11283909.jsp" }

Chinese pressure on Asian Development Bank (ADB)

China did not endorse the CPS 2009-12 for India in the Board of the ADB on the ground that the proposed India CPS involved technical assistance funding for the Flood and River Erosion Management Project in Arunachal Pradesh. { [HYPERLINK](http://pib.nic.in/release/release.asp?relid=50805) "http://pib.nic.in/release/release.asp?relid=50805" }

Taking China Seriously

Bhartendu Kumar Singh India is still way behind in understanding China and remains largely clueless about handling challenges that come from across the Himalayas { [HYPERLINK](http://www.ipcs.org/article_details.php?articleNo=2919) "http://www.ipcs.org/article_details.php?articleNo=2919" }

Strategic Masala

Delhi's Grand Strategy

Sunil Khilnani It is as a bridging power—between rich and poor, between the world's most powerful state (the U.S.) and its most populous one (China), and between the various religions that make up its own rich mosaic—that India can best define its new global identity. { [HYPERLINK](http://www.newsweek.com/id/207379) "http://www.newsweek.com/id/207379" }

Nepal-India Ties: No Roundabout Way

Sanjay Upadhyaya Yet the central reality of Nepal-India relations persists. It is impossible for either country to envisage the relationship outside the framework of China. { [HYPERLINK](http://www.nepalnews.com/main/index.php/guestcolumn/563-nepal-india-ties.html) "http://www.nepalnews.com/main/index.php/guestcolumn/563-nepal-india-ties.html" }

Securing the seas

As a serving naval admiral elaborates, "India is different. We can operate for a short while as a partnership navy, but definitely not as part of a military alliance. We, therefore, need a balanced navy with all-round capability which can operate alone for as long as it takes." { [HYPERLINK](http://www.business-standard.com/india/news/securingseas/364821/) "http://www.business-standard.com/india/news/securingseas/364821/" }

Delhi Diplomacy

Zuma to visit India in 2010

{ HYPERLINK
"http://www.southafrica.info/news/international/india-240709.htm" }

Homecoming for new British deputy high commissioner

{ HYPERLINK
"http://timesofindia.indiatimes.com/articleshow/mid-4832102,prtpage-1.cms" }

Defence

ISI chief to India: talk to us, we make policy too

{ HYPERLINK
"http://www.hindu.com/2009/07/23/stories/2009072350080100.htm" }

Covert adversaries to covert allies?

Praveen Swami India and Pakistan have a long history of attempting intelligence cooperation – but it has seen little success. { HYPERLINK
"http://www.hindu.com/2009/07/22/stories/2009072255930900.htm" }

Shelling on line of control 2006-08

Year-wise details of ceasefire violations along the Line of Control (LoC) in Jammu & Kashmir, including incidents of shelling since 2006 { HYPERLINK
"http://pib.nic.in/release/release.asp?relid=51066" }

Domestic Arena

India-Kashmir rail link lurches forward

Haroon Mirani the extended line could be strategically important for India, as it would help to supply hundreds of thousands of Indian soldiers posted in the conflict zone of Kashmir bordering Pakistan and China. { HYPERLINK
"http://www.atimes.com/atimes/South_Asia/KG25Df01.html" }

Kashmir's Democratic Catharsis

Riyaz Wani The same people who fought the system in the summer voted for it in the winter (2008). The struggle against Indian rule had gone hand-in-hand with participation in democratic elections { HYPERLINK
"http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?lng=en&id=103696" }

Assam: Black Widow's Web

Anuj Chopra Scores of interviews with tribals and DHD commanders confirm that the government is unofficially using the DHD as a proxy to attack Black Widow, even though they are bound by a ceasefire and not supposed to engage in armed warfare. { HYPERLINK
"http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?lng=en&id=103289" }

Economy

Climate change and the Indian stand

R. Ramachandran The implication of the MEFT statement, which India has signed, is as much a cap on India's emissions as the proposal by Prime Minister Manmohan Singh at the 2007 Heiligendamm G8 Summit that India's PCE will not exceed that of industrialised countries at any point of time – the 'Singh Convergence Principle (SCP)'. { HYPERLINK
"http://www.hindu.com/2009/07/28/stories/2009072855110800.htm" }

Cabinet nod for Asean FTA

{ HYPERLINK
"http://economictimes.indiatimes.com/Economy/Cabinet-nod-for-Asean-FTA/articleshow/4818081.cms" }

India's external debt at \$229.9 billion

The debt denominated in US dollar accounted for 57 per cent of total external debt. The country's foreign exchange reserves provided a cover of 109.6 per cent to the external debt. { HYPERLINK
"http://economictimes.indiatimes.com/articleshow/4826876.cms?prtpage=1" }

India's Trading Partners 2006-08

The details regarding India's ten largest trading partners during the last three years along with the volume of trade, and net trade balance { HYPERLINK
"http://pib.nic.in/release/release.asp?relid=51058" }

Investment by state owned oil companies in Iran

ONGC Videsh Ltd.(OVL) has submitted a proposal for Master Development Plan (MDP) of Farzad - B gas field, Persian Gulf, Iran. { HYPERLINK
"http://pib.nic.in/release/release.asp?relid=51047" }

Drop in EU-India trade flows

{ HYPERLINK
"http://www.kashmirwatch.com/showheadlines.php?subaction=showfull&id=1247870456&archive=&start_from=&ucat=1&var0news=value0news" }

Book

International and Regional Security Dynamics: Indian and Iranian Perspectives

Editor: *Meena Singh Roy*

This book projects Iranian and Indian perspectives on issues of mutual interests, and attempts to enhance understanding of the emerging international and regional security challenges. { HYPERLINK
"http://www.idsa.in/books.htm" }

India goes South

Lamy to use India's platform to revive Doha talks

{ HYPERLINK "http://www.indopia.in/India-usa-uk-news/latest-news/635371/Delhi/2/20/2" }

India & Africa

Indo-Tibetan force dispatches fourth batch to Congo

{ HYPERLINK "http://sify.com/news/fullstory.php?a=jh2u4oebjfe&title=Indo_Tibetan_force_dispatches_fourth_batch_to_Congo" }

India wants more contacts with Nigeria businessmen

{ HYPERLINK "http://www.indopia.in/India-usa-uk-news/latest-news/634055/International/2/20/2" }

Southern and eastern Africa gets hooked to India

{ HYPERLINK "http://economictimes.indiatimes.com/articleshow/4821983.cms?prtpage=1" }

'Huge potential' for SA, India trade

{ HYPERLINK "http://www.southafrica.info/news/business/615088.htm" }

India paying highest price for S.Africa coal - producers

{ HYPERLINK "http://in.reuters.com/article/domesticNews/idINLR21799020090727" }

McLeod Russel India eyeing tea plantations in Africa

{ HYPERLINK "http://sify.com/news/fullstory.php?a=jh2s5idjefa&title=McLeod_Russel_eyeing_tea_plantations_in_Africa" }

Indian Tea Board wants a slice of South African market

{ HYPERLINK "http://economictimes.indiatimes.com/articleshow/4827926.cms?prtpage=1" }

Mozambique

Mozambique Linked To Seacom Fibre-Optic Cable

{ HYPERLINK "http://www.bernama.com/bernama/v5/newsworld.php?id=428204" }

India & Latin America

Congress may push India's IT firms to Mexico with H-1B crackdown

{ HYPERLINK "http://www.computerworld.com/s/article/9135883/" }

Peru seeks FTA with India

{ HYPERLINK "http://news.xinhuanet.com/english/2009-07/28/content_11784572.htm" }

Bollywood in Latino land

{ HYPERLINK "http://www.dnaindia.com/india/report_bollywood-in-latino-land_1277417" }

(Orissa) 'Explore potential in Latin America'

{ HYPERLINK "http://www.expressbuzz.com/edition/print.aspx?artid=c7XneaV03t4" }=

Brazil

BEML opens assembly facility in Brazil

{ HYPERLINK "http://www.khl.com/magazines/international-construction/detail/item40813/" }

WEG adia em 4 meses inauguração de fábrica na Índia

{ HYPERLINK "http://www.abril.com.br/noticias/economia/weg-adia-4-meses-inauguracao-fabrica-india-472047.shtml" }

India & Portugal

Court reserves decision to drop MCOCA charges against Salem

{ HYPERLINK "http://timesofindia.indiatimes.com/articleshow/mid-4764251,prtpage-1.cms" }

Embaixadora indiana sublinha "modéstia" portuguesa sobre potencial turístico do Douro

{ HYPERLINK "http://aeiou.expresso.pt/gen.pl?p=stories&op=vie w&fokey=ex.stories/526758" }