



India-Asia Pacific relations:

## Consolidating Friendships and Nuclear Legitimacy

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India's relations with countries in the Asia-Pacific region during 2007 were wide-ranging as New Delhi sought to consolidate and expand ties with both small and large countries from Singapore to Australia to South Korea. With the U.S., India was on the verge of a landmark agreement on civil nuclear energy cooperation. But in India's relations with both Asia and the U.S. there was unfinished business. In the case of Southeast Asia for example, the failure to conclude an FTA agreement despite long, complex and sometimes quite testy negotiations blunted what has generally been a positive if incremental trajectory in India-Southeast Asia relations. With China, India's relations crawl forward year by year with little progress on fundamental issues such as the border/territorial dispute. With Japan, for all the excitement of the Abe-Aso tenure with India, the facts on the ground, especially on economic relations, remain limited. There are some more interesting openings for India in the region such as relations with Australia and South Korea, but they too are somewhat unusual rather than an established pattern. What is undeniable is that India is now a thread in the fabric of Asia. Similarly, despite the failure of the U.S. and India to conclude the civilian nuclear energy deal in 2007, the thickness of U.S.-India relations is unlikely to be diluted, even if it will take a lot of work from both Washington and New Delhi to keep them going.

### **India-China Relations: From “Sino-Indian Friendship Year” to “India-China Year of Friendship through Tourism”**

The year 2007 saw neither dramatically positive nor negative developments in Sino-Indian relations. It is perhaps symbolic of the efforts to keep ties hopeful and the limited (even lowered) expectations that the two countries have moved from marking the 55<sup>th</sup> anniversary of bilateral relations in 2005 through the “China-India Friendship Year” in 2006 to declaring 2007 the “India-China Year of Friendship through Tourism.” Tourism, though growing between the two countries, is hardly the vehicle by which Sino-Indian relations are going to be transformed, particularly outstanding issues such as territorial and border disputes. Nevertheless, China's National Tourism Authority (CNTA) opened an office in New Delhi in August while India promised to do so in Shanghai and the two sides held the first China-India Tourism Forum in which some 120 industry delegates participated.

India's current approach toward relations with China was explained by External Affairs Minister Pranab Mukherjee who, while speaking to the Indonesian Council on World Affairs on "India's Growing Engagement with East Asia" in June 2007, said "While we remain fully conscious of our outstanding differences with China, including on the boundary question, the basic paradigm of our approach is to seek an all-round development of ties, without allowing these differences to define the agenda of the relationship." China's approach to relations with India was somewhat more upbeat, with Chinese President Hu Jintao declaring in the same month, during a meeting with Indian Prime Minister Singh in Berlin, that "The development of Sino-Indian ties is now on a fast track."

The focus in 2007 remained on two areas: the unresolved border and territorial dispute and commercial ties. There was also a step forward on military exchanges and security discussions.

Three rounds of the Special Representative Talks on the India-China border and territorial disputes were held during 2007 – in mid-January, late April, and late September. China's representative at the three rounds was Vice Foreign Minister and Special Representative Dai Bingguo; India's was National Security Advisor and Special Representative M K Narayanan. There was no discernible progress and the statements on the talks were notably factual and terse. In June 2007, during the Hu-Singh meeting in Berlin, President Hu reportedly said "It is the common strategic goal for China and India to resolve the border issue, a problem left by history, at an early date." This statement seemed to bridge China's position that this was a long-term problem requiring a "right" approach and India's insistence on speeding up movement toward resolution. In November, Chinese Premier Wen Jiabao meeting with Prime Minister Singh on the sidelines of the ASEAN and East Asia Summit (EAS) meetings in Singapore said that "We are happy to see that both sides have the willingness and resolve to settle their border issue left over from history."

On commercial ties, both sides reiterated throughout the year that they would seek to achieve \$40 billion in trade by 2010. Wen reaffirmed this when meeting Singh on the sidelines of the 12<sup>th</sup> ASEAN summit as did the Chinese Foreign Minister Yang Jiechi during China's participation as an observer at the 14<sup>th</sup> South Asia Association for Regional Cooperation Summit held in New Delhi in April. There was also discussion of a joint study group to examine a possible free trade agreement, although no major announcements were made. Another area of dialogue on economic matters was the Second China-India Financial Dialogue held in early December in Beijing.

Aside from border/territorial and commercial relations, there were a number of other forms of Chinese and Indian interaction during the year. There is even evidence that the two sides are seeking to widen the range of contacts. In February, Chinese Foreign Minister Li Zhaoxing visited India to kick off the Year of Friendship through Tourism and the two countries announced the formal start of a bilateral hotline and the establishment of new consulates in Kolkata and Guangzhou as well as tourism offices in New Delhi and Shanghai. In June, a Chinese delegation visited India to discuss energy

issues with the Central Electricity Regulatory Commission (CERC). An Indian official is cited as saying the “The delegation [held] talks with CERC on its regulations on tariff, power trading, open access, transmission (and) unscheduled interchange charge.” And in November, a delegation led by the Chief Justice of India K. G. Balakrishnan, visited China to return a visit by the president of the Supreme People’s Court of China to India from April 2-7, 2007. These exchanges follow up on a 2003 Memorandum of Understanding on Cooperation between India’s Ministry of Law and Justice and the Supreme People’s Prosecution Service of China. Perhaps the most important “irregular” visit of the year was that of Indian National Congress Party President Sonia Gandhi to Beijing in late October when she met both President Hu and Premier Wen. Gandhi was one of the first foreign leaders to meet newly appointed Chinese leaders following the 17<sup>th</sup> Chinese Communist Party Congress.

Another area of Sino-Indian discussion related to India’s efforts to conclude a nuclear deal with the U.S. and to get support for the deal in the Nuclear Suppliers Group (NSG), of which China is a member. In September, Indian Foreign Secretary Shri Shivshankar Menon met Chinese Foreign Minister Yang and Chinese State Councilor Tang Jiaxuan to consolidate the India-China Strategic and Cooperative Partnership. The nuclear issue likely figured in these talks. Following a meeting of Indian and Chinese leaders on the sidelines of the 13<sup>th</sup> ASEAN summit in Singapore in November, the Ministry of External Affairs (MEA) spokesman said that “Premier Wen was forthcoming and supportive of international civil nuclear energy cooperation with India.”

India and China also continued interactions in the context of trilateral discussions with Russia. In 2007, two summits of the so-called China-Russia-India Trilateral Dialogue were held.

India and China also held defense and military activities during the year. In late May, Indian Chairman of the Joint Chiefs of the Staff Committee and Army Chief of Staff General Joginder Jaswant Singh visited China and met Foreign Minister Yang. Following the visit, the two sides announced that India and China would conduct their first-ever joint army training exercise. In November, India and China held the first-ever defense and security consultations as called for in the Memorandum of Understanding (MoU) on Enhancing Defense Cooperation signed in May 2006. The meeting was co-chaired by Qian Lihua, director of Foreign Affairs Office of China’s Ministry of Defense and Bimal Julka, joint secretary in India’s Ministry of Defense. And finally from Dec. 20-25, the first India-China joint military training exercise, *Hand-in-Hand 2007*, was held in China’s Chengdu military region. According to Indian Wing Commander RK Das, “[t]he focus of the exercise will be a special anti-terrorism drill. The Chinese value our long experience in handling insurgency and terrorism.” An armed Reconnaissance Company of the PLA and an equivalent strength of Indian troops participated in the exercise that included establishment of a joint command post, joint battle decision-making and anti-terrorism drills.

## **India-Taiwan**

India and Taiwan also interacted during 2007. The biggest event of the year in India-Taiwan relations was the mid-June visit of Taiwan presidential candidate and leader of the Kuomintang Ma Ying-jeou to New Delhi where he met with serving Indian government ministers and opposition party leaders. Ma expressed interest in scientific and economic cooperation with India. Prior to his visit, in April, the Republic of China (ROC) and India had signed an MoU for cooperation in the fields of science and technology. Ma is the first Kuomintang leader to visit India since Chiang kai-shek visited in 1942. India adheres to a one-China policy and had reaffirmed that policy as recently as November 2006 when President Hu visited New Delhi. During Ma's visit, China called on New Delhi to adhere to the one-China policy.

India and Taiwan also pursued commercial ties during the year. In early September, Indian Vice Minister of Commerce and Industry Ajay Shankar led a trade delegation to Taiwan. Democratic Progressive Party Chairman Yu Shyi-kun addressed the Indian delegation, citing common values and encouraging greater trade and other economic cooperation. At the end of the conference, Director General of the India-Taipei Association (ITA) T.P. Seetharam, stated "It's not a problem of whether Taiwanese companies will invest in India but how and when they will do so. Taiwanese businesses are currently exploring India in every aspect." And, Secretary of India's Department of Industrial Policy and Promotion Ajay Shankar said "We're at the beginning of a very exciting story. India and Taiwan are now more closely intertwined." Almost 2,000 Indian software engineers are working in Taiwan. Subsequently, in mid-September, Taiwan's first industrial exposition called *Taitronics* was held in Chennai, Tamil Nadu state in southern India.

A report issued in early September by Taiwan's Cabinet-level Council for Economic Planning and Development (CEPD) established the goal of having India as one of Taiwan's top 10 trade partners by 2015. At present, India is Taiwan's 25<sup>th</sup> ranking partner, accounting for less than 1 percent of Taiwan's trade. On the investment side, Taiwan has about 70 investment projects in India worth about \$400 million in 2007. Among the problems cited by Taiwan officials in doing business in India is the Indian government's unwillingness to establish a "single window" service channel exclusively for Taiwan.

As part of an effort to promote commercial interaction on Sept. 14, a Taiwanese tourism delegation arrived in India to promote Indian tourism to Taiwan. Some 20,000 Indians traveled to Taiwan in the first half of 2007, outpacing last year's numbers. This is the second tourism delegation from Taiwan to visit India. Indians hope for an easier visa application process and cheaper accommodation facilities in Taiwan.

## **India-Japan: "Japan-India Friendship Year"**

India-Japan relations remained active in 2007. Former Prime Minister Mori Yoshiro was dispatched to India in February to officially open the Japan-India Friendship Year and the

Year of Japan in India. But the highpoint of the year was the visit in late August of Prime Minister Abe Shinzo to India. Abe became the first Japanese prime minister to address India's Parliament.

During Abe's visit, the two countries issued a *Joint Statement on the Roadmap for New Dimensions to the Strategic and Global Partnership between Japan and India*. This 39-point initiative is meant to follow up the Strategic and Global Partnership announced during Prime Minister Singh's December 2006 visit to Japan though there are no major new or dramatic proposals in the joint statement.

Abe's public comments during his visit focused on economic issues. For example, he told a business audience that "We attach importance to an early conclusion of a high-quality EPA [Economic Partnership Agreement]." He also called on the two countries to expand trade, saying that "[o]ur bilateral trade should reach \$20 billion in the next three years [by 2010]." Two-way trade between Japan and India in 2006 was estimated to be about \$8.5 billion. Meanwhile, India's Commerce Minister Kamal Nath acknowledged the potential for much more trade and other economic ties, telling a Japanese business delegation accompanying Abe that "We have had strong cultural ties and bonds of heritage, but the economic component of our relations has been weak." Nath also set as a goal attracting \$5 billion in foreign direct investment from Japan over the next five years. In 2006, Japan invested only about \$540 million in foreign direct investment or just 3 percent of the total received by India. Some survey data conducted among Japanese businesses does suggest more interest in India, but facts on the ground demonstrate that constraints to major enhancements in Japan-India commercial ties remain. India and Japan over the past few years have pursued a number of institutional arrangements for enhancing commercial ties. In 2007, a Japan-India strategic dialogue on economic issues was launched with a first meeting in mid-July.

Earlier in the year, other exchanges between Japan and India focused on energy, economic, and tourism relations. In April 2007, India and Japan held the first Japan-India Energy Dialogue in Tokyo. Japan's side was headed by Minister for Economy, Trade and Industry Amari Akira and India's by Deputy Chairman of the Planning Commission Montek Singh Ahluwalia. One initiative launched was to foster energy efficiency and the development of energy infrastructure. In late April, Japan's Minister for Land, Transport and Infrastructure Fuyushiba Tetsuzo visited New Delhi and held meetings with, among others, India's Minister for Tourism Ambika Soni and Prime Minister Singh. Fuyushiba announced that Japan had "appointed eight registered travel agents in India and those processing visa applications through them would not be required to furnish certain documents." He also called on India to relax rules on Japanese citizens, saying "[o]n simplification of visa procedures, I handed over a letter from our foreign minister for Indian Foreign Minister Pranab Mukherjee seeking more cooperation and an early agreement on the issue." Fuyubashi made a similar overture to India's prime minister during their brief meeting.

Later in the summer, Japan's Minister for Economy, Trade and Industry Amari visited New Delhi for wide-ranging discussions with his Indian counterpart Minister of

Commerce Nath. The three main subjects of discussion were reportedly early conclusion of the Doha Development Agenda (DDA), the Delhi-Mumbai Industrial Corridor project that Japan is largely financing, and the negotiations on the India-Japan Comprehensive Economic Partnership Agreement. The two ministers issued a release that stated “The ministers reviewed the status of India-Japan Comprehensive Economic Partnership Agreement negotiations and directed negotiators to expedite the conclusion of negotiations within the agreed timeframe.” However, there was no indication of the “agreed timeframe” and the joint statement issued during Abe’s visit simply stated that “the two leaders directed their respective negotiators to actively pursue and complete the negotiations as soon as possible.”

No major new political or security initiatives were announced during Abe’s visit either. On the issue of Japan’s support for a possible U.S.-India nuclear deal in the context of the NSG, the joint statement said only that “The two leaders shared the view that nuclear energy can play an important role as a safe, sustainable, and non-polluting source of energy in meeting the rising global demand for energy. They looked forward to constructive deliberations at the relevant international fora with respect to the international civil nuclear cooperation framework under appropriate IAEA safeguards with India.” In March MEA Mukherjee traveled to Tokyo for the first foreign minister-level strategic dialogue with his Japanese counterpart Aso Taro. He also held talks with Defense Minister Kyuma Fumio. Japan and India welcomed plans for the India, U.S., Australia, Japan, and Singapore four-day naval exercise *Malabar 07-2* in September.

With Abe, a major proponent of improving relations with India, leaving office, it was not clear how far and fast Japan-India relations could move forward. In November, India’s PM Singh met for the first time with new Japanese Prime Minister Fukuda Yasuo on the sidelines of the 13<sup>th</sup> ASEAN Summit in Singapore. According to press reports, the leaders pledged to continue their strategic and global partnership as well as regular high-level exchanges. Singh and Fukuda also agreed to speed up projects under the Special Economic Partnership Initiative and to strengthen cooperation on issues such as UN Security Council reform and climate change.

### **India-South Korea**

India-South Korea ties showed continued development during 2007, including in the security and defense realms. In May, the first-ever meeting of Indian and South Korean defense ministers was held in New Delhi. According to Indian Defense Minister A.K. Antony “The military field needs to keep up with the development of the two sides’ economic cooperation.” South Korean Defense Minister Kim Chang-su replied that “[t]he talks this time are expected to pave the way for the two nations’ relations to be upgraded to strategic partnerships.” Both sides agreed, based on an Indian proposal, to conduct joint maritime and antiterrorism exercises.

Meanwhile, talks on a Comprehensive Economic Partnership Agreement (CEPA) continued. This process was launched in March 2006 and seven rounds of talks have been held thus far. In July 2007, the two sides met to pursue further discussions and initial

offers particularly relating to rules of origin and coverage of items under a potential CEPA. The economic element of India-ROK relations was also pursued during MEA Mukherjee's September visit to South Korea at the invitation of Minister of Foreign Affairs and Trade Song Min-soon. The two ministers held bilateral meetings and co-chaired the 5th ROK-India Joint Commission. They expressed satisfaction at the progress made in negotiations on the CEPA and reiterated their desire to conclude the negotiations by the end of 2007. They also welcomed the steady growth in bilateral trade and investment, and expressed their confidence that the trade target of \$10 billion could be achieved before 2008. In 2006, bilateral trade was worth about \$7 billion. The two sides also discussed an updated double taxation avoidance agreement.

The year ended without any clarity on ROK support for India in the NSG. An Indian Ministry of External Affairs spokesman was quoted as saying only that "[a]s and when the matter is taken up as the NSG, we hope they may take a positive view."

### **India-Southeast Asia Relations**

India-Southeast Asia ties both with ASEAN as an organization and with individual member countries remained active throughout 2007. However on key issues such as conclusion of an FTA, the year ended without success. India participated in two ASEAN summits in 2007 because the 12<sup>th</sup> ASEAN Summit was rescheduled from December 2006 to Jan. 12-15, 2007 due Typhoon Seniang. The 13<sup>th</sup> ASEAN Summit, marking the 40<sup>th</sup> anniversary of the organization, was held in November in Singapore. India participated in these summits both as an ASEAN Dialogue Partner and as a member of the East Asia Summit, which was convened following both ASEAN summits.

The main subject of discussions between India and ASEAN as an organization related to the conclusion of an ASEAN-India Trade in Goods Agreement. Talks dragged on throughout the year. Just prior to PM Singh's arrival for the November 2007 ASEAN summit, it became clear that the India-ASEAN FTA would not be signed as hoped. The main obstacles relate to tariffs on palm oil, refined palm oil in the case of Malaysia and Indonesia, and, for Vietnam, the main concern is duty cuts on pepper and black tea.

Even more worrying for India, however, were indications that for all the growth in India-ASEAN trade, India was falling steadily behind China. A report by the Federation of Indian Chambers of Commerce and Industry (FICCI) on India-ASEAN trade noted that in the decade between 1997 and 2006, India's share in ASEAN trade has moved marginally up from 1 percent to 1.6 percent, whereas during the same period China's has gone up from 3.7 percent to 11.4 percent. A second difficulty for India is that imports from ASEAN have risen much higher than exports to ASEAN following an overall pattern in India's international trade.

ASEAN is one of India's multilateral approaches to cooperation with Southeast Asia. Another is the Mekong Ganga Cooperation (MGC), which was launched in 2002 as an initiative by six countries – India, Cambodia, Laos, Myanmar, Thailand, and Vietnam to promote cooperation in tourism, culture, education, and transport. In September, India

hosted a delegation of about 100 Buddhist pilgrims from Cambodia, Laos, Myanmar, Thailand and Vietnam as part of an initiative to promote cultural exchanges within the framework of MGC. India also continued outreach to individual members of ASEAN in a largely constructive way.

### **India-Singapore: and now a Joint Ministerial Committee for Bilateral Cooperation!**

Singapore remained the nexus for India's relations with the rest of Southeast Asia in 2007. In June, during a visit by India's EAM Mukherjee, the two countries launched a Joint Ministerial Committee for Bilateral Cooperation as well as an India-Singapore Strategic Dialogue. The former mechanism is the first institutionalized ministerial-level bilateral forum between Singapore and India that will set the broad framework and direction for the development of cooperation, complementing other official mechanisms such as those between defense, foreign, and economic ministries. Both leaders also announced the launch of the India-Singapore Strategic Dialogue, which is a Track 1.5/2 mechanism comprising government officials, MPs, industrialists, strategic thinkers, and media representatives. During the visit, and while introducing the Indian foreign minister prior to his lecture "India's Foreign Policy Priorities", Singapore Minister for Foreign Affairs George Yeo reiterated that "Singapore supports India as a Permanent Member of the UN Security Council."

On the defense and security front, India and Singapore continued to build ties. In October, the two countries signed an agreement under which Singapore can use Indian military bases for five years in return for payment. The agreement was signed during a visit by Singapore's Permanent Secretary for Defense Chiang Chie Foo with India's Defense Secretary Vijay Singh at a two-day India-Singapore defense policy dialogue held in New Delhi.

### **India-Thailand: a state visit to mark 60 years of bilateral relations**

In 2007, India and Thailand marked 60 years since the establishment of diplomatic relations. A key event was the late June state visit to India of Thailand's Prime Minister Surayud Chulanont who stated that "[f]or both governments, this means further strengthening our economic partnership, deepening our linkages, minimizing barriers and maximizing access for our products and capital."

During the visit, the two countries signed an MoU on Enhanced Cooperation in the field of Renewable Energy and a Cultural Program. The two countries' prime ministers also noted with satisfaction that trade had crossed the \$3 billion mark (double the level of trade in 2001) with the implementation of the Early Harvest Scheme of the India-Thailand FTA and set a target of \$4 billion by the end of 2007. Thai Foreign Minister Sawanit Kongsiri, during his PM's June visit, told an audience in Mumbai that "[d]ue to the implementation of Early Harvest Scheme of the FTA framework in 2004, tariffs of 82 items have become zero. This fast-tracking has led to unprecedented levels of bilateral trade." Both sides indicated an expectation that trade would reach \$7 billion by 2010. However, there was no firm indication of when a full FTA could be concluded though



both sides expressed an interest in reaching agreement. On Dec. 1, a Thai official was quoted as saying that India had lost interest in a bilateral FTA due to its pre-occupation with an India-ASEAN FTA. Chana Kanaratanakilok, the deputy director general of the Department of Trade Negotiations at the Commerce Ministry, told the *Bangkok Post* “We have been trying to push India to send us the new list of duties so that we can calculate from our side, but it seems as though they are more focused on concluding the Asean-India FTA. From our side, we are totally ready to implement it and all things have been worked out, but a trade deal is a bilateral one, if one side is not ready then we cannot force upon them.”

Meanwhile, Thailand remains an important source of foreign investment into India, accounting for some \$830 million in approved FDI across a range of industries including food processing, hotel and tourism. In October, India’s Minister for Northeast Development Mani Shankar Aiyar told an *Investment Week* audience in Bangkok that India sought Thai investment in northeast India, especially in infrastructure, food processing, and handicraft sectors.

In the statement during the state visit, the two countries also expressed interest in expediting negotiations and implementation of pending defense and security-related agreements and MOUs. India also expressed gratitude for Thailand’s participation in efforts to link India’s “Look East” policy with efforts to promote developments in India’s troubled northeast region. In April, Thailand’s Minister of Commerce Kirik-Krai Jirapaet came to India to participate in the 3rd Northeast Business Summit in New Delhi and also traveled to the northeastern states of India. During the visit, India and Thailand signed an MOU for technical cooperation in the fields of standardization, certification, testing, and training. This is the first step before eventually signing a Mutual Recognition Agreement between the two national standards’ bodies. The goal of this process is facilitate trade between the two countries by ultimately removing requirements for repetitive testing and inspections of each other’s goods.

### **India-Myanmar: complicated**

Relations between India and Myanmar were mixed in 2007. The bilateral focus continued to be on handling militants fighting India who are operating from Myanmar and energy and economic ties. Of course the protests in Myanmar starting in mid-August and running through the killings in October also complicated relations.

Following a January visit to the country by EAM Mukherjee, an official Indian statement noted that “[w]hile welcoming Myanmar’s commitment not to allow its territory to be used for activities inimical to India, [Mukherjee] sought their continued and sustained cooperation in this regard.” This suggests that India wants Myanmar to do more. Separately, during Indian Minister of Defense AK Antony’s first visit to Nagaland (in India) since taking office in early January, he is reported to have ruled out joint operations with Myanmar’s security forces to combat militants operating against India from Myanmar territory. During Mukherjee’s visit to Myanmar, the two sides also discussed trade, energy, and infrastructure ties, including the need to conclude Bilateral

Investment Promotion and Protection Agreement and an Agreement on the Avoidance of Double Taxation. Earlier, Union Minister of State for Commerce Jairam Ramesh had announced that India planned to open a new border trade station with Myanmar at Pangsupass. A press report claimed that Mukherjee said that “we decided to give a favorable response” on selling arms to Myanmar during a visit to that country. However, at the time, no new military sales were announced and details about India’s military transfers to Myanmar remain sketchy. India has confirmed providing the junta with two used British-made *BN-2 Islander* light transport aircraft. But, news reports have denied that they have been fitted for military use. Reports about other military sales such as light artillery, tanks, and armored personnel carriers have not been verified. Indeed, in December, reports emerged in the U.S. press citing unnamed Indian officials as confirming India had ceased military sales to Myanmar – as noted in First Lady Laura Bush’s comments about Burma.

Another important visit was that of Union Home Secretary V.K. Duggal to Myanmar in February to meet his counterpart Brig. Gen. Phone Swe on a range of bilateral issues including action against militant groups operating against India from bases in Myanmar.

A negative development occurred March 16, when Myanmar informed Indian companies Gas Authority of India Ltd (GAIL) and ONGC Videsh Ltd (and other stakeholders) that it planned to export natural gas found in blocks that they had been exploring to China. According to India’s Minister of State Petroleum and Natural Gas Dinesh Patel, “[I]n the meeting held in Feb[ruary] 2007 between Myanmar government and PetroChina, Myanmar decided that the gas from A1 and A3 [blocks] would be sold to China through the pipeline route.” The minister went on to say that this news had been conveyed to Indian concerns on March 16 despite the fact that a year ago, on March 9, 2006, Myanmar and India had signed an agreement with GAIL acknowledging GAIL a “preferential buyer” of gas from A1 and A3 blocks. Patel reported that at the time of the March 16 announcement, “[GAIL] impressed upon the other partners and Myanmar government that its pipeline offer was still the most competitive and offered optimum value for them due to proximity of India to these fields. However, the Myanmar government stuck to their decision to sell the gas to China.”

India’s response to the junta’s crackdown was widely criticized in the U.S. as being mild. India expressed concern and suggested that the release of jailed opposition leader Aung San Suu Kyo would be helpful. In late October, Prime Minister Singh, returning from a visit to South Africa, was quoted as saying that “Violence and suppression of human rights is something that hurts us. Having said that, we have to recognize that Myanmar is our next door neighbor and sometimes it does not serve the objective you have in mind by going public with condemnations.” And MEA Mukherjee, meeting with his Chinese and Russian counterparts in Harbin in late October expressed support for UN Special Envoy Ibrahim Gambari’s efforts, but rejected sanctions, saying “[t]here should not be any sanctions at this stage.” However, it may be the case that India gave stronger messages to Myanmar’s leaders privately, and even that it acted strongly by ceasing arms exports, if indeed these reports are confirmed.

## **India-Vietnam Relations: 35<sup>th</sup> anniversary of relations is “A Year of Focus”**

India and Vietnam have been long-time friends, but their bilateral relations have been limited. With 2007 marking the 35<sup>th</sup> anniversary of the establishment of India-Vietnam diplomatic relations, Vietnam announced that India would be a country of “focus” for its foreign relations. Vietnam reiterated its support for both India’s access to civil nuclear energy and for India’s seat on the UN Security Council. Vietnamese Ambassador to India Vu Quang in an interview said “[w]e support India in its peaceful use of nuclear energy like any other country.” But, Vietnam is not a member of the NSG and therefore it cannot support the U.S.-India nuclear directly when and if it comes before that group.

One area that received considerable attention during the year was economic relations. At least from Vietnam’s perspective, economic ties have not kept pace with political ones. The Vietnamese ambassador said, “Our political relations have been excellent but the economic and trade ties have not been commensurate with that.” He noted that there is substantial potential for growth in commercial ties between the two countries. India, which has already gained rights to explore two blocks in Vietnam, has the opportunity, through competitive bidding, to gain more blocks. However, the ambassador noted “if India is not competitive, the resources will go to China” and apparently added that Chinese procedures “are faster” than India’s. Vietnam has in particular invited India to invest in Vietnam’s plans to establish refineries and other ventures. One positive note that is that India is among the top 10 investors in Vietnam following the signing of a deal for Essar Steel of India to build a plant valued at \$527 million. During the Feb. 12 Joint Commission meeting in New Delhi co-chaired by MEA Mukherjee and visiting Vietnamese Deputy Prime Minister Pham Gia Khiem, both sides noted that bilateral trade have reached somewhere between \$900 million and \$1 billion in 2006 and set a goal of reaching \$2 billion by 2010.

The high point of the year came in July when Prime Minister Nguyen Tan Dung made a state visit to India. A number of agreements were signed during the visit including an MOU on Cooperation in the Field of Fisheries and Aquaculture, a Cultural Exchange Program, and a Work Plan in the Field of Agriculture for the period 2007-09. This was the first visit by a Vietnamese prime minister in a decade. Nguyen and his nearly 200-member delegation also met business and industry leaders in Kolkata and Mumbai in addition to Delhi. The two countries signed a “Joint Declaration on Strategic Partnership” which upgrades the 2003 “Joint Declaration on the Comprehensive Cooperation Framework between India and Vietnam.” During his visit, Nguyen again highlighted investment opportunities in Vietnam saying “I would like to tell the Indian business delegation to please come to Vietnam because it is a safe and effective destination for their investment.” He also mooted what appeared to be an idea for a free trade agreement saying “We will do whatever we can to promote a free trade agreement between India and Vietnam.” Or, perhaps he was referring to disputes between India and Vietnam in the context of India-ASEAN trade talks.

In October, India’s Minister for Home Affairs Shivraj V. Patil visited Vietnam and held meetings with President Nguyen Minh Triet and Prime Minister Nguyen Tan Dung as

well as talks between officials of India's Home Ministry and Vietnam's Ministry of Public Security. Patil reportedly offered training courses in the fight against high-end economic crimes and terrorism and signed an agreement on legal assistance in criminal issues.

In late November, the third India-Vietnam Security Dialogue was held in New Delhi and hosted by Defense Secretary Singh. At the dialogue's conclusion, it was announced that future defense cooperation would be focused on, among other things, "supply of naval spares, ... shipbuilding, and radars."

### **India-Indonesia relations**

Ties between India and Indonesia have seen progress, particularly since the November 2005 visit of Indonesian President Susilo Bambang Yudhoyono to India when the two countries signed a "New Strategic Partnership." In 2007, the two countries built on relations by convening, in mid-January, the First Joint Defense Cooperation Committee in Jakarta since the ratification of the Defense Cooperation Agreement between Indonesia and India in December 2006.

In mid-June, EAM Mukherjee visited Jakarta for the 3rd Joint Commission meeting between Indonesia and India. Mukherjee and Indonesian Foreign Minister N. Hassan Wirajuda reviewed bilateral relations since the establishment of the New Strategic Partnership. They reiterated the aim of reaching \$10 billion in bilateral trade by 2010.

### **India-Philippines: A state visit to India by the Philippines president**

In early October, Philippines President Gloria Macapagal Arroyo made a state visit to India. The two countries signed an agreement on the establishment of a Joint Commission on Bilateral Cooperation to be chaired by the respective foreign ministers and a joint declaration for cooperation against international terrorism. The Joint Commission is to deal with cooperation in areas such as natural gas, defense, security, transnational crime, agriculture, mining, information technology, and health and pharmaceuticals. On terrorism, the focus is to be on capacity-building and countering the financing of terrorist acts. Both sides noted that commercial ties remain minimal and far below potential with trade valued at only about \$750 million. President Arroyo was quoted as saying that "As one of the neighbors of India in the East Asian region we are happy to be here to move the integration of our economies forward."

### **India-Laos & India-Cambodia**

In December, the Prime Minister of Cambodia Hun Sen made a state visit to India (an earlier planned visit was cancelled due to the death of a former Indian prime minister) accompanied by 12 Cabinet members and six agreements were signed including: (i) Agreement on Transfer of Sentenced Persons, (ii) MOU on Cooperation in the Field of Water Resource Management, (iii) MOU on Foreign Office Consultations between India and Cambodia, (iv) Work Plan under MOU on Agricultural Cooperation for 2007-2008,

(v) Agreement on Line of Credit for Cambodia, and (vi) MOU on Cooperation and Technical Assistance between the Cambodian National Petroleum Authority and the ONGC Videsh Limited.

India also announced \$35 million in low-interest loans for three development projects in Cambodia. The funds will help develop the Stun Ta Sal River, and purchase water pumps and build an electricity network linking Cambodia's northern provinces of Kratie and Stund Treng. In November, speaking to students graduating from the National Institute of Education in Phnom Penh, Prime Minister Hun Sen stated that "[I]n the near future, I will go to India and sign with the Indian side to get \$35.5 million in aid to build an electricity network from Kratie province to the Lao border, and the finance will also spend for [sic] restoring irrigation system of the Stun Ta Sal River and buying water pumps."

India continued in 2007 under the Indian Technical and Economic Cooperation program to provide computer training to Lao nationals at Indian universities. Each year approximately 80 Lao nationals participate in ITEC programs.

### **India-Australia Relations: Forward Progress**

India-Australia relations were active in 2007, but marked by uncertainty following the defeat of Prime Minister John Howard in national elections. In February, Australian Government Minister for Trade Warren Truss led a 50-member business delegation to India for the 16<sup>th</sup> Joint Business Council (JBC). "India has become Australia's 11<sup>th</sup> largest merchandise trading partner, growing faster than any of our top 30 export markets. Two-way trade in goods and services has increased to more than \$12 billion in the last financial year," Truss said. He also opened a new Consulate-General office in Chennai and announced the launching of Utsav Australia (Celebrate Australia), a sustained marketing and promotions program to raise awareness of Australian business and industry among the Indian business community. In late June, India's Steel Minister Ram Vilas Paswan led a high-level delegation to Australia. A prime purpose of the visit was to gain Australian support for Indian companies buying stakes in coking coal firms in order to ensure access to raw materials to support capacity-expansion in India's steel sector. This support was gained. Minister Paswan was quoted as telling the Press Trust of India that "Australian Federal Minister for Industry, Tourism and Resources Ian McFarlane has assured me all possible help in fast-tracking these acquisition ventures, which are critical for India's capacity-expansion in the steel sector."

Throughout the year, there was much back and forth regarding Australian support in the NSG for a U.S.-India nuclear deal and possible uranium sales to India. Following a meeting between Indian Special Envoy Shyam Saran and Prime Minister Howard at the end of March, Howard is quoted as saying that "It is likely we will support that (Indo-U.S. civil nuclear) agreement in the suppliers group." He went on to say that "We see India as a very responsible country." In August, Howard announced that he would be willing to negotiate a uranium supply deal to India if the U.S.-India nuclear deal is fully completed. Peter Garrett, Labour Party environment spokesman, was quoted in October as saying "Deal or no deal between India and the U.S., Labour won't support the sale of

uranium to a non-NPT signatory.” With the defeat of Howard’s government in national elections, the Australian position is now unclear. However, both sides have ample time for consideration because the U.S.-India nuclear deal at the end of 2007 remained stalled.

On the defense front in July, Brendan Nelson made the first trip by an Australian minister of defense to India in two decades. An agreement was signed between the two countries to enhance maritime cooperation, hold joint naval exercises, and protect classified information. This agreement follows up a March 2006 MOU on defense cooperation signed during Howard’s visit. According to an unnamed Australian defense official, during the past months efforts have been made to build defense ties. “Areas where we are seeking increased cooperation are in low-level military exercises and professional exchanges in niche areas like flying instructor training, clearance diving, and (maritime) passage exercises,” she said. Navy-to-navy talks had been opened in January and a joint navy operations working group was held in April in New Delhi. There were plans for similar talks between the air forces. That initiative could lead to increased maritime surveillance flights over the Indian Ocean to improve shipping security.

### **U.S.-India Relations in 2007: pause in the nuclear narrative**

In 2001, in these pages, it was argued that the U.S. and India were *Stuck in a Nuclear Narrative*. Last year, in bringing the narrative up to date, it was noted that the passage by the U.S. Congress in mid December 2006 of legislation that would enable civil nuclear cooperation between the two countries constituted a major development in the storyline. In 2007, however, the narrative brought new surprises. In late July, after a series of sensitive and complex negotiations, Washington and New Delhi announced that they had completed negotiations on civil nuclear cooperation and that “The next steps include India negotiating a safeguards agreement with the IAEA and support for nuclear trade with India from the 45 member Nuclear Suppliers Group. Once these additional actions have been completed, President Bush will submit the text of the agreement to the U.S. Congress for final approval.”

As the summer wore on, however, there was mounting evidence that within India there was still no consensus to move to the next steps. The stunner came Oct. 15, 2007 when, during a phone call with President Bush, India’s Prime Minister Singh stated that “certain difficulties have arisen with respect to the operationalization of the India-U.S. civil nuclear cooperation agreement.” There has been much discussion since about the precise specifics and reasons for the change in stance. What is known is that the leftist parties and other opponents of the deal were able to intervene to prevent the Indian government from moving fully ahead with the agreement. As matters stand at the end of 2007, it appears that India has had conversations with the IAEA regarding an India-specific safeguards agreement and continues to seek support from members of the NSG but cannot go ahead fully with signing a formal safeguards agreement with the IAEA. In any event, even if that agreement can be completed quickly, and all indications are that it can be, and if NSG approval can be gained – which will be trickier but likely doable – the U.S. Congress will have to still give final approval. However, with U.S. elections “around the corner” (a year away is around the corner in this year’s presidential politics)

and a very busy and politically charged congressional calendar ahead, whether the deal can be wrapped up and delivered before the Bush administration's term is over remains to be seen. The U.S.-India nuclear narrative never disappoints. Stay tuned.

## **Chronology of India-Asia Pacific Relations January - December 2007**

**Jan. 7-9, 2007:** Singapore Deputy PM Jayakumar leads a delegation of officials and businesspersons to India to attend the Pravasi Bharatiya Divas. The annual event brings the overseas Indian community to India for networking opportunities and seminars.

**Jan. 12-15, 2007:** India participates in the 12<sup>th</sup> ASEAN Summit in Cebu, Philippines as an ASEAN dialogue partner and as a member of the East Asian Summit (EAS).

**Jan. 14, 2007:** Chinese Premier Wen Jiabao meets Indian PM Manmohan Singh on the sidelines of the East Asian Summit.

**Jan. 16-18, 2007:** The 9<sup>th</sup> round of talks on the India-China Boundary Question is held in New Delhi.

**Jan. 17-24, 2007:** Singapore Minister for Foreign Affairs George Yeo visits India with stops in Bangalore, Kolkata, New Delhi, and Amritsar. He meets senior Indian officials and speaks to an Indian business conference.

**Jan. 19-21, 2007:** External Affairs Minister Pranab Mukherjee visits Myanmar.

**Jan. 23, 2007:** India and U.S. sign a letter of intent in New Delhi on promoting linkages between small and medium enterprises of the two countries.

**Feb. 11-14, 2007:** Chinese FM Li Zhaoxing visits India and kicks off the Year of Friendship through Tourism. Li and EAM Mukherjee announce the formal start of a bilateral hotline and the opening of new consulates in Kolkata and Guangzhou as well as tourism offices in New Delhi and Shanghai.

**Feb. 13, 2007:** Union Home Secretary V.K. Duggal visits Myanmar to meet his counterpart Brig. Gen. Phone Swe on a range of bilateral issues including action against militant groups operating against India from bases in Myanmar.

**Feb. 13-14, 2007:** Mori Yoshiro, former PM of Japan, visits India as special envoy. He attends the opening ceremony of the Japan-India Friendship Year – Year of Japan in India 2007 and the 34th Joint Meeting of India-Japan Business Cooperation Committee.

**Feb. 14, 2007:** India-China-Russia Trilateral Foreign Minister's Meeting held in New Delhi.

**Feb. 16, 2007:** The 4th Session of the India-Malaysia Joint Commission is held in New Delhi with Malaysian Foreign Minister Dato' Seri Syed Hamid Albar and India's MEA Mukherjee heading their respective delegations.

**Feb. 21-24, 2007:** India's Foreign Secretary Shivshankar Menon visits the U.S. where he co-chairs, with Deputy Secretary of Commerce David Sampson, the 5<sup>th</sup> Meeting of the Indo-U.S. High Technology Cooperation Group that brings together industry and government experts in the areas of information technology, bio-technology, nanotechnology, and defense technology.

**Feb. 26-March 2, 2007:** Australian Government Minister for Trade Warren Truss leads a 50-member business delegation to India for the 16<sup>th</sup> Joint Business Council. Truss opens a new Consulate-General in Chennai and announces the launch of Utsav Australia (Celebrate Australia), marketing and promotions program to raise awareness of Australian business and industry among the Indian business community.

**Feb. 27, 2007:** The 13<sup>th</sup> meeting of the India-Vietnam Joint Commission on Trade, Economic, Scientific and Technological Cooperation, chaired by the two countries' foreign ministers, is held in New Delhi.

**Feb. 28, 2007:** The U.S. and India Joint Working Group on Counterterrorism meets to discuss strategies for fighting global terrorism. Acting Coordinator for Counterterrorism Frank Urbancic chairs the U.S. delegation and Additional Secretary for International Organizations at the Ministry of External Affairs K.C. Singh heads India's side.

**March 8-9, 2007:** Asano Katsuhito, senior vice minister for foreign affairs, visits India to attend an India-Japan symposium and to discuss bilateral relations.

**March 22-23, 2007:** MEA Mukherjee travels to Tokyo for the first foreign minister-level strategic dialogue. He also holds talks with Minister for Defense Fumio Kyuma.

**March 28-31, 2007:** Shyam Saran, special envoy of India, visits Australia to meet senior officials regarding India's proposed nuclear deal with the U.S. Saran also exchanges views with the Joint Parliamentary Committee of Foreign Affairs, Defence and Trade.

**April 2, 2007:** India and the U.S. sign an MOU to renew their commitment to work cooperatively on environmental issues. The MOU focuses on air quality, water quality, toxic chemicals and waste, and the management of environmental agencies.

**April 10, 2007:** The first U.S.-India Defense Joint Working Group meeting is held in New Delhi. The working group was envisaged in the New Framework for the U.S. and India Defense Relationship signed in June 2005. It conducts a midyear review of the work overseen by the Defense Policy Group, which is the apex dialogue mechanism for the India-U.S. defense relationship.



**April 20-22, 2007:** The 10<sup>th</sup> round of India-China border talks are held in New Delhi with China represented by Vice FM & Special Representative Dai Bingguo and India by National Security Advisor & Special Representative M K Narayanan.

**April 23, 2007:** India and Japan hold the first Japan-India Energy Dialogue in Tokyo. Japan's side is headed by Minister for Economy, Trade and Industry Amari Akira and India's by Deputy Chairman of the Planning Commission Montek Singh Ahluwalia.

**April 23-25, 2007:** To promote greater cooperation between the U.S. and Indian aviation sectors, the U.S. Trade and Development Agency (USTDA), in cooperation with the Indian Ministry of Civil Aviation (MoCA) and other organization from both countries sponsor a high-level U.S.-India Aviation Partnership Summit in New Delhi.

**April 30, 2007:** Japan's Minister for Land, Transport and Infrastructure Fuyushiba Tetsuzo visits New Delhi and launches the Japan-India Tourism Exchange Year and discusses a new initiative to ease visa procedures for Indians traveling to Japan.

**April 30-May 1, 2007:** Foreign Secretary Menon visits Washington for the 5<sup>th</sup> Meeting of the India-U.S. Global Issues Forum as well as numerous other meetings with senior U.S. officials on a range of issues including the bilateral civilian nuclear agreement.

**May 7, 2007:** President George Bush and PM Manmohan Singh discuss by telephone the G8 Summit scheduled for June. According to an official Indian statement, "[t]he Prime Minister conveyed India's commitment to work with other countries to deal with the problems of climate change and global warming. The two leaders also emphasized the importance of a successful conclusion of the Doha Development Round of multilateral trade negotiations."

**May 23, 2007:** Chairman of the Joint Chiefs of the Staff Committee and Army Chief of Staff General Joginder Jaswant Singh visits China and meets FM Yang Jiechi. Following the visit, an announcement is made that India and China will conduct their first-ever joint army training exercise.

**May 30, 2007:** ROK Defense Minister Kim Jang-soo meets Indian Minister of Defense A.K. Antony in New Delhi. This is the first-ever defense ministerial talks between the two countries. Discussions reportedly focus on promoting defense cooperation including naval exercises and potential trade in defense materials.

**May 31-June 2, 2007:** Under Secretary for Political Affairs, R. Nicholas Burns visits New Delhi for discussions on the proposed bilateral civil nuclear cooperation agreement.

**June 3, 2007:** Defense Minister Antony visits Singapore. The two countries agree to continue to expand defense links.

**June 4-7, 2007:** Subodh Kant Sahai, India's minister of state for food processing industries, visits the U.S. for meetings with Secretary of Agriculture Mike Johanns and

discussions about the post-harvest and food processing initiatives in India and the India-U.S. Knowledge Initiative in Agriculture.

**June 7, 2007** Chinese Vice FM Dai meets a delegation of 100 young people from India headed by Indian Minister of Youth Affairs and Sports Mani Shankar Aiyar.

**June 7, 2007:** Chinese President Hu meets PM Singh in Berlin. State Councilor Tang Jiaxuan also attends.

**June 11-15, 2007:** Taiwan KMT leader and presidential candidate Ma Ying-jeou visits New Delhi, the first KMT leader to do so since Chiang kai-shek visited in 1942.

**June 15, 2007:** First Japan-India High Level Policy Consultations on Economic Development are held in New Delhi. The discussions center on India's development policy and Japan's overall policy on economic cooperation for India.

**June 12-14, 2007** India and Indonesia convene the First Joint Defense Cooperation Committee in Jakarta since the ratification of the Defense Cooperation Agreement between Indonesia and India in December 2006.

**June 18, 2007:** EAM Mukherjee visits Jakarta for the 3rd Joint Commission between Indonesia and India where he and Indonesian FM N. Hassan Wirajuda review bilateral relations since the establishment of the New Strategic Partnership in November 2005.

**June 18-20, 2007:** EAM Mukherjee visits Singapore; a Joint Ministerial Committee for Bilateral Cooperation and an India-Singapore Strategic Dialogue are launched.

**June 24-29, 2007:** Steel Minister Ram Vilas Paswan leads a delegation to Australia, including Perth, Sydney and Brisbane. A prime purpose of the visit is to gain Australian support for Indian companies buying stakes in coking coal firms in order to ensure access to raw materials to support capacity-expansion in India's steel sector.

**June 25-27, 2007:** Thailand's Prime Minister Surayud Chulanont makes a state visit to New Delhi to mark the 60th anniversary of the establishment of diplomatic relations between the two countries. An MOU on Enhanced Cooperation in the field of Renewable Energy and a Cultural Program are signed.

**June 27-28, 2007:** Commerce & Industry Minister Kamal Nath visits Washington to give a special address at the 'Global India Summit' organized by the U.S.-India Business Council to mark its 32nd anniversary, meet senior U.S. officials, and deliver an address at the Carnegie Endowment for International Peace on "The Doha Agenda - Delivering on Development."

**June 30-July 4, 2007:** Japan's Minister for Economy, Trade and Industry Amari Akira visits New Delhi for wide-ranging discussions with Minister of Commerce Nath.

**July 4-6, 2007:** Vietnam's Prime Minister Nguyen Tan Dung makes a state visit to India on the occasion of the 35th anniversary of the establishment of diplomatic relations between India and Vietnam.

**July 11, 2007:** PM Singh and President Bush hold a telephone call in which they expressed satisfaction at the strong India-U.S. bilateral relationship and spoke about the forthcoming discussions between the national security advisers of both countries.

**July 11, 2007:** Australian Minister of Defense Brendan Nelson makes the first trip by an Australian defense minister to India in two decades.

**July 17, 2007:** Japan's Deputy Minister for Foreign Affairs Kohno Masaharu visits India for the first-ever Japan-India Strategic Dialogue on Economic Issues.

**July 17-20, 2007:** Under Secretary of State for Political Affairs Burns and Foreign Secretary Menon hold four days of meetings in Washington regarding outstanding issues in the 123 agreement. They announced that they "will now refer the issue to our governments for final review."

**July 27, 2007:** MEA Mukherjee and Secretary of State Condoleezza Rice make a Joint Statement on the completion of the civil nuclear negotiations between the two sides.

**Aug. 6-7, 2007:** M. K. Narayanan, national security adviser of India, visits Japan to hold discussions on bilateral and international issues in preparation for the visit of PM Abe to India later in the month.

**Aug. 14, 2007:** President Bush calls PM Singh to convey the greetings of the government and people of the U.S. on the 60th Anniversary of India's Independence.

**Aug. 16, 2007:** India's External Affairs Minister makes a statement to the national Parliament in which he provides the "factual position" regarding two concerns expressed by members – India's right to test nuclear weapons and continuity of fuel supply. Regarding testing he says "There is nothing in the bilateral agreement that would tie the hands of a future government or legally constrain its options. A decision to undertake a future nuclear test would be India's sovereign decision, resting solely with the Government of India." Regarding continuity of fuel supply he says "The bilateral cooperation agreement contains elaborate provisions in Articles 5 and 14 to ensure the continuous operation of India's reactors. These include fuel supply assurances, the right to take corrective measures, and a strategic fuel reserve for the lifetime of India's reactors in case of cessation of cooperation."

**Aug. 20, 2007:** China National Tourism Authority (CNTA) opens office in New Delhi. This is the first Chinese tourism promotion office in India.

**Aug. 21-23, 2007:** Japan's PM Abe visits India. He becomes the first Japanese prime minister to address India's Parliament and the two governments issue a Joint Statement on the Roadmap for New Dimensions to the Strategic and Global Partnership.

**Aug. 21, 2007:** Australia's Naval Chief Vice Adm. Eric Shalders holds talks with Indian defense and military officials, the first visit by an Australian naval chief to India in 20 years.

**Sept. 4, 2007** India, the US, Australia, Japan, and Singapore begin a four-day naval exercise called *Malabar 07-2*.

**Sept. 5-12, 2007** India hosts a delegation of about 100 Buddhist pilgrims from Cambodia, Laos, Myanmar, Thailand, and Vietnam as part of an initiative to promote cultural exchanges within the framework of Mekong Ganga Cooperation (MGC).

**Sept. 14-15, 2007:** EAM Mukherjee visits Thailand for 5<sup>th</sup> Joint Commission meeting.

**Sept. 14-16, 2007:** India and Taiwan industry associations hold a collaborative exhibition in the south Indian city of Chennai to promote bilateral trade and commercial ties.

**Sept. 16-18, 2007:** EAM Mukherjee visits South Korea and co-chairs 5th ROK-India Joint Commission. Both countries express the hope of concluding negotiations on the Comprehensive Economic Partnership Agreement (CEPA) by the end of 2007 and meeting a \$10 billion trade target before 2008.

**Sept. 17-18, 2007:** Foreign Secretary Menon meets Chinese FM Yang and State Councilor Tang to consolidate the India-China Strategic and Cooperative Partnership.

**Sept. 24, 2007:** A U.S.-India Memorandum of Cooperation on public transportation is signed to facilitate cooperative activities to address India's urban infrastructure needs.

**Sept: 24-26, 2007:** The 11<sup>th</sup> round of the Special Representatives talks on India-China boundary question is held in Beijing.

**Sept. 27, 2007:** EAM Mukherjee leads the Indian delegation at the Major Economies Meeting on Energy Security and Climate Change, convened by President Bush.

**Oct. 1, 2007:** EAM Mukherjee meets Myanmar FM U Nyan Win at a UN General Assembly meeting. According to an official Indian statement, "the External Affairs Minister expressed concern at the current situation in Myanmar, noting that as a close and friendly neighbor, India hoped to see peace, prosperity and stability in Myanmar. The Minister also expressed the hope that the process of national reconciliation and political reform, initiated by the Government of Myanmar, would be taken forward expeditiously. Further, he suggested that the Government could consider undertaking an inquiry into recent incidents and the use of force."

**Oct. 4- 6, 2007:** Philippines President Gloria Macapagal Arroyo makes a state visit to India accompanied by seven Cabinet ministers and a 41-member business delegation. The two countries sign a total of eight declarations, agreements and MOUs including an agreement on the establishment of a Joint Commission on Bilateral Cooperation and a Joint Declaration for Cooperation to Combat International Terrorism.

**Oct. 10, 2007:** India and Singapore sign an agreement under which Singapore can use Indian military bases for five years in return for payment. The agreement is signed during a visit by Singapore's Permanent Secretary for Defense Chiang Chie Foo with India's Defense Secretary Vijay Singh at a defense policy dialogue in New Delhi.

**Oct. 15, 2007:** President Bush and PM Singh discuss the Doha Round and the India-U.S. Civil nuclear agreement by telephone.

**Oct. 23-25, 2007:** EAM Mukherjee visits Harbin, China for the third India-Russia-China Foreign Minister level meeting – the second such meeting in 2007.

**Oct. 26, 2007:** Chinese President Hu Jintao and Premier Wen Jiabao, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, meet Indian National Congress Party President Sonia Gandhi.

**Oct. 29, 2007:** EAM Mukherjee speaks by telephone with Secretary of State Rice.

**Nov. 6-10, 2007:** A delegation led by the Chief Justice of India, Justice K. G. Balakrishnan, visits China to return a visit by the President of the Supreme People's Court of China to India from April 2-7, 2007.

**Nov. 12-13, 2007:** India and China hold the first-ever defense and security consultations as called for in the MOU on enhancing defense cooperation signed in May 2006.

**Nov. 12, 2007:** Singapore FM Yeo meets EAM Mukherjee in New Delhi for discussion of bilateral relations.

**Nov. 21, 2007:** The 6th ASEAN-India Summit is held in Singapore on the sidelines of the 13<sup>th</sup> ASEAN Summit.

**Nov. 21, 2007** Chinese Premier Wen meets PM Singh on the sidelines of the ASEAN and EAS Summits in Singapore and says that “We are happy to see that both sides have the willingness and resolve to settle their border issue left over from history.”

**Nov. 21, 2007:** Singapore Senior Minister Goh Chok Tong and PM Singh meet following the EAS. This is the first meeting between the two since January 2006.

**Nov. 29, 2007:** The India-U.S. joint working group on counter-terrorism meets to discuss bilateral cooperation in fighting the global menace of terrorism.

**Nov. 30, 2007:** India's Information and Broadcasting Minister P.R. Dasmunsi announces that "The Cabinet at its meeting yesterday evening gave its approval for tariff elimination/reduction on 555 products through a protocol of amendment of India-Singapore Comprehensive Economic Cooperation Agreement (CECA)."

**Nov. 30, 2007:** EAM Mukherjee makes a statement to Parliament regarding a rally organized by the Hindu Rights Action Force (HINDRAF) in Kuala Lumpur, Malaysia. The minister says "We have friendly relations with Malaysia and we are in touch with the Malaysian authorities in the related matter."

**Dec. 4, 2007:** The Second China-India Financial Dialogue is held in Beijing.

**Dec. 7-10, 2007:** Cambodia PM Hun Sen, accompanied by 12 Cabinet members, makes a state visit to India during which six agreements are signed.

**Dec. 11-12, 2007:** Myanmar Deputy FM Kyaw Thu visits New Delhi. According to an official Indian statement, talks were "marked by the friendship and cordiality that mark relations between India and Myanmar as close neighbors." The two sides also signed an MOU for the establishment of the India-Myanmar Centre for Enhancement of Information Technology Skills (IMCEITS) at Yangon.

**Dec. 20-25, 2007:** The first India-China Joint Military Training Exercise "Hand-in-Hand 2007" is held. One armed Reconnaissance Company of the PLA and an equivalent strength of Indian troops participate in the exercise that included establishment of a joint command post, joint battle decision making and conduct of anti-terrorism drills.