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Report # 135

Summary (Page # 4-5)

National Report

Politics:

- CPI-M for timebound probe into J-K police firings (Page # 6)
- PM holds meeting to discuss China 'threat ' (Page # 6)
- Sonia re-elected as Congress president for a record fourth term (Page # 7)
- Sonia can be party chief for 40 terms: Congress (Page # 7)

Minorities' Issues:

Hindu Fundamentalism:

Insurgency Movements:

- Maoists kill 10 cops in Bihar gunbattle (Page # 8)
- Bihar rejects Maoist ultimatum (Page # 9)

Economic Front:

- ADB sanctions \$100 mn for Indo-Bangladesh power project (Page # 10)
- Sensex closes 242 points higher (Page # 11)
- Exports clock 13.2% growth in July (Page # 11)

Foreign Relations/Geo-strategic developments:

- India to suspend defence exchanges with China (Page # 12)
- We don't look at reciprocity from neighbours: Manmohan (Page # 12)
- Foreign policy, domestic priorities intertwined, says Nirupama Rao (Page # 13)
- Exchanges not suspended: China (Page # 13)
- Chinese troops in PoK: India conveys concern to China (Page # 14)
- India to boost defence ties with South Korea (Page # 14)
- No troops deployed in Gilgit-Baltistan, says China (Page # 15)

Military

• India inks deal with US for 24 Harpoon Block-II missiles (Page # 15)

Indian Occupied Kashmir:

- A mastermind of Kashmir protests (Page # 16)
- Geelani announces fresh protest calendar (Page # 17)

Social front:

- Three new Indian payloads for Chandrayaan 2, decides ISRO (Page # 18)
- CWG getting negative publicity abroad (Page # 18)

CWG getting negative publicity abroad (1 age # 16)
Regional Report
Central India (Hindi Heartland)
Politics:
Social front:
Economic Front:
The North
Politics:
Social front:

Economic Front:

The East

Politics:

Social front:

Economic Front:

• Railway projects will generate 10 lakh jobs for youth: Mamata (Page # 20)

The South

Politics:

- Many central, state ministers behind illegal mining: Yeddyurappa (Page # 20)
- A year after YSR's death, Andhra Congress still divided (Page # 21)

Social front:

Economic Front:

West India

Politics:

• Saffron Terrorism: PM should apologies to people, says Modi (Page # 22)

Social front:

Economic Front:

• Gujarat looks to tap Israeli investors (Page # 23)

National Summary:

Amid reports of China's deployment of troops in the Pakistan-controlled Kashmir, Prime Minister Dr Manmohan Singh chaired a meeting of the Cabinet Committee on Security to review China's recent posturing and India's options of dealing with it. The meeting came amid reports that China had deployed about 11,000 troops in the Gilgit-Baltistan region of Jammu and Kashmir which has been held by Pakistan.

Mrs Sonia Gandhi, who revived Congress from a desperate position to two consecutive victories in the Lok Sabha polls, was elected Congress president unopposed for a record fourth term and she vowed to keep the party flag always flying high.

At least 10 policemen were killed and several injured in a fierce firefight with Maoists on Sunday in the Kajra hill jungles. In a significant development, the state government has refused to agree to the demands of the Maoists who served an ultimatum to the state government asking them to release eight of their jailed comrades by evening of first September, failing which they will be compelled to kill four of the cops they held hostage during the encounter in Lakhisarai district.

Exports in July grew by 13.2 per cent, the lowest expansion so far this fiscal, to \$16.24 billion as major markets like the USA and Europe are facing fragile economic recovery. During the first three months of 2010-11, the shipments grew by about 30 per cent. In July 2009, exports stood at \$14.34 billion, according to the official data released. Imports in July grew by 34.3 per cent to \$29.17 billion from \$21.72 billion in the corresponding period last year, indicating a rapid pace of domestic economic activity. As a result, trade deficit widened to \$12.93 billion from \$7.38 billion a year ago.

India has decided to suspend defence exchanges with China following Beijing's refusal to allow the Army's Northern Command chief, Lt. Gen. B.S. Jaswal to join a military delegation for a high-level visit. In retaliation, India has refused to allow two Chinese Army captains to attend a defence course and a colonel to speak at a higher defence course. While border meetings between Army personnel will continue as before, a cloud hangs over future military exchanges and even a joint exercise. It will remain so until China "unties the knot it has tied," said senior officials. While China's Defence Ministry on Saturday said defence exchanges with India were not suspended in the wake of the visa row, adding that India had not notified China of any decision to stop military exchanges.

India on Friday conveyed its concerns to China over its presence in Pak-occupied Kashmir (PoK) and its activities in that region. The Indian move came in the wake of reports of presence of about 11,000 Chinese troops in Jammu and Kashmir's Gilgit-Baltistan region held by Pakistan. China on Thursday denied the presence of its troops in Gilgit-Baltistan, but voiced support to Islamabad's claims on the disputed region by describing it in a statement as "a northern part of Pakistan." India views the region as an integral part of Jammu and Kashmir that is under illegal occupation.

India has signed arms contract with the US under a direct government-to-government deal. The latest deal to be inked, worth around \$170 million, is the one for 24 Harpoon Block- II anti-ship missiles to arm the maritime strike Jaguar fighters in IAF's combat fleet. Incidentally, Pakistan has also inducted different variants of Harpoon missiles from the US over the years. While this deal in itself is not all that big, traditional defence suppliers to India -- like Russia, Israel and some European countries -- are increasingly getting worried about the aggressive muscling into the lucrative Indian market by the US, bagging deals as it often does under its Foreign Military Sales programme instead of vying through open global tenders.

Hardline separatist leader Syed Ali Shah Geelani on Thursday issued another protest calendar against the killing of 65 people in security forces firing on protesters since mid-June. Geelani asked people to observe complete strike and stage peaceful sitins on September 6. "On September 7 and 8, people shall observe complete strike and offer special prayers for the respectable release of the detainees," the hardline leader said in a statement.

The second Indian space mission to the moon, Chandrayaan 2, scheduled for 2013, will have three new Indian payloads and will repeat two instruments from the 2008 Chandrayaan 1 mission that lead to the discovery of water in the form of ice near the North Pole of the moon.

Commonwealth Games organisers are now facing negative publicity not only at home but also in the foreign media over the dengue fever outbreak in the capital and the slow pace of work on projects. The extensive coverage in the foreign media, including in leading newspapers like 'The Financial Times' and 'The Sydney Morning Herald', is likely to add to the woes of the Games organisers who are already facing heat back home due to allegations of scams and incomplete projects.

Regional Summary:

Railway Minister and Trinamool Congress chief Mamata Banerjee assured the youth of West Bengal that they would get sufficient job opportunities if her party came to power in the State. Ms. Banerjee also said various railway projects initiated across the country, since she took charge of the Ministry in 2009, would generate over 10 lakh jobs.

Karnataka chief minister BS Yeddyurappa said many central and state ministers were involved in promoting illegal iron ore mining in the state in the last 10 years and he would expose them.

Gujarat Chief Minister Narendra Modi again sought an apology from Prime Minister Manmohan Singh for use of the term 'Saffron Terrorism' by the Home Minister. "The post of the Prime Minister has been devalued and he has become helpless as someone else is in control of the administration," Modi said at a public function

National Report

Politics:

CPI-M for time bound probe into J-K police firings

Anguished over young children and people being killed in police firing in Jammu and Kashmir, CPI(M) member Brinda Karat demanded a timebound probe into the excesses and unconditional dialogue with all sections of society. "Stone pelting cannot be answered with bullets. Sixty six people have been killed there in the last two months while undertaking peaceful protests. An all-party delegation should be sent to Jammu and Kashmir to express solidarity with them," she said through a Zero Hour notice in the Rajya Sabha. She said a timebound and independent probe should be conducted into the excesses there and unconditional dialogue initiated with all sections of society. The delay in starting dialogue shows "callousness" of the government, she said. Karat said that yesterday a 10-year-old child was killed in police firing and recently a group of children playing carrom were also fired at injuring them seriously. "The Prime Minister had recently spoken of non-lethal methods for resolving the prevailing situation in J-K. I want to know how many more are to be killed and incapacitated. For how long government will allow such excesses?" she asked. (The Indian Express)

PM holds meeting to discuss China 'threat '

Amid reports of China's deployment of troops in the Pakistan-controlled Kashmir, Prime Minister Dr Manmohan Singh chaired a meeting of the Cabinet Committee on Security to review China's recent posturing and India's options of dealing with it. Senior Cabinet ministers, including defence minister Mr AK Antony, home minister Mr P Chidambaram and external affairs minister Mr SM Krishna were among those who attended the meeting. India's Ambassador to China Mr S Jaishankar briefed the ministers at the meeting that discussed how best to deal with China's perceived aggressiveness towards issues critical to India's sovereignty. The meeting came amid reports that China had deployed about 11,000 troops in the Gilgit-Baltistan region of Jammu and Kashmir which has been held by Pakistan. The 90-minute meeting discussed the recent denial of a visa to a senior Indian general commanding the northern sector, which includes Jammu and Kashmir which is seen here as an attempt by China to question India's sovereignty over Jammu and Kashmir. India had put on hold defence exchanges after Beijing's refusal to allow the visit. The crucial meeting ended with a consensus among ministers to adopt a firm attitude towards China, specially over issues that question India's sovereignty over its territory, but agreed that the message should be conveyed in such a manner so as not to upset the larger relationship, sources said. The meeting also discussed what Mr Krishna described in Parliament as Beijing's "more than normal interests" in the Indian Ocean region. "The government of India has come to realise that China has been showing more than normal interest in the Indian Ocean affairs. So we are closely monitoring the Chinese intentions," Mr Krishna told Lok Sabha. (The Statesman)

Sonia re-elected as Congress president for a record fourth term

Mrs Sonia Gandhi, who revived Congress from a desperate position to two consecutive victories in the Lok Sabha polls, was elected Congress president unopposed for a record fourth term and she vowed to keep the party flag always flying high. "The post of Congress president is a very big responsibility towards the nation," 63-year-old Mrs Gandhi said as she was given the certificate of her victory by the party's Central Election Authority in-charge Oscar Fernandes. Her remark was significant given the fact that she had single-handedly led the party, which was down in shambles, to victory through the coalition route in 2004 Lok Sabha elections and repeated the feat in the general elections last year. Italian-born Mrs Gandhi, who took over the reins of the party from Sitram Kesri in April 1998 saying, "I am no saviour", spoke of "keeping the party flag always flying high". Prime Minister Dr Manmohan Singh and a galaxy of leaders including Union ministers and AICC functionaries were in full attendance to greet the party chief. AICC general secretary Mr Rahul Gandhi, however, could not make it due to his prior engagements. Mrs Gandhi, who faced revolt from her own partymen on the issue of her foreign origin one year after she took over, said that Congress has always come up to the expectations of all sections of the society and all parts of the country. "Whether we are in power or out of power, we have been and we should always be conscious of our this very role", she stressed. With the rains playing spoilsport, the arrangements at the AICC headquarters went haywire as rain water poured into the specially erected tent with ankle deep water on the ground. However, the bad weather did not deter the enthusiasts, who celebrated Gandhi's victory by bursting crackers and dancing in front of the Congress headquarters as well as her residence. There was surging crowd outside the AICC headquarters to have a glimpse of the Congress President. However, only few could make it inside the heavily guarded premises. The shy and reticent politician, who entered the Indian scene as the demure Italian bride of Rajiv Gandhi in 1968, has so far been unanimously elected Congress president thrice. On one occasion, Jitendra Prasada, a senior leader from Uttar Pradesh, had thrown his hat in the ring but failed miserably in the polls in 2000. A three-time Lok Sabha MP from Rae Bareli, she officially took charge of the 125-year-old Congress party as its President in 1998, becoming the fifth member of the Nehru-Gandhi family and the eighth foreignborn person to become the party chief. (The Statesman)

Sonia can be party chief for 40 terms: Congress

With BJP attacking Gandhi family's "monopoly" on party leadership, Congress on Thursday retaliated by saying Sonia Gandhi could get "not four, but forty terms" as party president. On the eve of announcement of Sonia's re-election as party chief, AICC dismissed BJP's criticism that democracy demanded that Congress's reins went out of the Gandhi family. AICC general secretary Janardan Dwivedi said, "Not four, she can become party president forty times." Saying that the issue was being decided by democracy, he added. "It is democracy which made Jawaharlal Nehru prime minister for 17 years and Indira Gandhi for nearly 17 years, while others were not allowed to complete their term." The verbal duel between the rival parties followed a strong power show with Prime Minister Mannmohan Singh on Thursday morning leading the march to propose Sonia for Congress presidentship. AICC general secretary and heir apparent

Rahul Gandhi, and chief ministers Ashok Gehlot, Sheila Dikshit and Bhupinder Singh Hooda were among the battery of leaders who went to seek the incumbent's consent for nomination. Sonia's re-election as party chief will be announced on Friday evening as she was the only person to file nomination by Thursday's deadline. AICC election authority chairman Oscar Fernandes said 56 nomination papers were filed in favour of Sonia and one was rejected on technical grounds. The election of party chief will set in motion a revamp in AICC by year-end. The "election" of state chiefs and office-bearers will start from September 17. Congress Working Committee will stand dissolved and will be reconstituted in the AICC plenary session to be held in December. As the Congress show unfolded with all roads leading to 10, Janpath, BJP spokesman Ravishankar Prasad told reporters, "Sonia Gandhi is going to become president of Congress for the fourth time. Obviously, there will be no opposition. In accordance with Congress constitution, no office-bearer can become the president of any block, district or state unit for more than two terms." He said the same bar should apply to the top post in keeping with the spirit of democracy while adding there were eminent leaders available outside the Gandhi family. At AICC, Fernandes said BJP should not lecture the Congress on its constitution, else other parties will dictate constitutions to BJP. (Times of India)

Minorities' Issues:

Hindu Fundamentalism:

Insurgency Movements:

Maoists kill 10 cops in Bihar gunbattle

At least 10 policemen were killed and several injured in a fierce firefight with Maoists on Sunday in the Kajra hill jungles, which stretches for about 40 km till Jamui, the state police confirmed on Monday. Among those killed was Kawaiya outpost in-charge Phulan Yadav, who was leading the anti-Naxalite operation. There are unconfirmed reports of over a dozen policemen still missing in the jungles, about 30 km from Lakhisarai district headquarters. A BSF helicopter has been combing the area along with over 2,000 personnel from the state police, Special Auxuliary police, Special Task Force and CRPF's Cobra battalions. Chief Minister Nitish Kumar, who met seven of the injured personnel admitted at the Patna Medical College and Hospital on Monday, announced Rs 10 lakh compensation to next kin of each jawan killed in the encounter. The state Cabinet for the first time decided to give additional medical help worth Rs 50,000 to Rs 3 lakh to each injured. It was still unclear why the 23-member police team was suddenly sent on the anti-Naxalite operation. There were unconfirmed reports that the owner of a private company involved in road construction in the area wanted the police to put pressure on the rebels who had been demanding levy from the road construction company. It was alleged that Lakhisarai SP Ashok Singh "unilaterally" decided to go ahead with the operation without help from adjoining forces from Jamui and Munger district. A senior police officer told The Indian Express that such an operation should have been headed at least by DSP rank officers from all three districts. The SP did not seek help from CRPF or perhaps did not give it prior information of 24 hours for the operation. The CRPF joined the operations only on Monday. The CRPF reached the encounter site only around noon, only to take charge of bodies of policemen. Previous Intelligence reports had indicated that the 40 km hilly jungle stretch from Lakhisarai to Jamui is the hiding place for over 10,000 ultras at different strategic locations. The jungle is almost like a hideout for the rebels' Bihar Jharkhand Special Area Committee, which control operations in four districts of Bihar and two districts of Jharkhand from here. Past operations to drive out Maoists from this "safe haven" remained unsuccessful for last 20 years. Ultras from the jungle base were responsible for blowing then Munger SP K Suresh Babu in 2005. (The Indian Express)

Bihar rejects Maoist ultimatum

In a significant development, the state government has refused to agree to the demands of the Maoists who served an ultimatum to the state government asking them to release eight of their jailed comrades by evening of first September, failing which they will be compelled to kill four of the cops they held hostage during the encounter in Lakhisarai district. The Maoists kidnapped the cops during the encounter in the hilly regions of the district on Sunday. "The sacrifice of the jawans will not go in vain. We will avenge the killing of the jawans", a senior CRPF official told reporters in Patna today, hours after the Maoists communicated their ultimatum to the state government through the media and the victims' kin. The director-general of police, Bihar, Mr Neelmani also said the government would not buckle under pressure and that they would do whatever they can to ensure the safe release of the four kidnapped jawans. Earlier in the day, the government held a meeting with the DGP and the CRPG DG during which it was reportedly decided to intensify operations in proper coordination with the local police and the paramilitary forces. The Maoists, who claimed responsibility for the killings of seven cops during the encounter, have demanded that eight of their jailed leaders be released by tomorrow evening or they will be forced to kill the kidnapped cops. "Eight of our comrades lodge d in different jails of Bihar must be released forthwith or they will be left with no option other than slaughtering four cops they have held hostage", a a selfproclaimed spokesman of the Maoists Avinash told local reporters over phone. He also claimed to have communicated his demand to the chief minister's residence in Patna. The cops in Maoists' captivity include- Abhay Yaday, Ahsan Khan, Lukas Tete and Rupesh Singh. During the encounter, the Maoists had killed seven cops and also looted 35 of their weapons before fleeing the scene. It was also reportedly learnt that the Maoists spared the cops when they surrendered and also reportedly administered them first aid to the wounded police personnel. They also allowed them to go back. Maoists have stepped up their activities across Bihar, taking a heavy toll on life and government property. The number of Maoist-infested districts, which was 17 during the previous RJD regime, has now gone up to 33 out of the state's total 38. Observers blame the NDA government's soft approach towards the Maoists for the deteriorating law and order in the poll-bound state. According to them, the Centre recently announced three important plans to tackle the Maoist menace but the NDA government headed by chief minister Mr Nitish Kumar (see photo left) shot down all the proposals and went rather soft towards the rebels, perhaps apprehending any stern action against the Maoists who have their sympathisers among the poor villagers could upstage their electoral applecart. In July this year, the Centre

announced a Unified Command structure to help coordinate a security offensive against the Maoists. At a meeting of the chief ministers of the states worst hit by the Maoist menace held in New Delhi on 14 July, the Centre offered them more helicopters, logistical support as well as financial assistance to launch an offensive against the rebels. The states like Jharkhand, Orissa, Chhattisgarh and West Bengal accepted the offer but Bihar rejected it. It was this lack of coordination between the local police and the CRPF that led to the killings of at least eight policemen during the 14-hour encounter with the Maoists in Lakhisarai district on Sunday. By the time, the CRPF rushed to the encounter site, the policemen had already been killed. Bihar has not launched any Operation Green Hunt, saying the Maoist problem is better tackled by starting welfare schemes. The CM said they have launched welfare schemes, including "sarkar aapke dwar" (government at your doorstep) in this regard, yet the state is still to see any decline in Maoist violence or their return to the mainstream. Significantly, neighbouring Jharkhand has already launched the operation. The Bihar chief minister also skipped the crucial meetings the Union home minister Mr P Chidambaram had called with chief ministers of Naxal-hit states to discuss the strategy to fight Maoist terror. First, he skipped such a meeting held in Kolkata and then in New Delhi which was attended by many states. His main rival and RJD chief Mr Lalu Prasad, who was once accused of sympathising with the rebels, has been constantly demanding strong measures to tackle the Maoist menace in the land where the Buddha achieved moksha (salvation). (The Statesman)

Economic Front:

ADB sanctions \$100 mn for Indo-Bangladesh power project

The Asian Development Bank said it will provide USD 100 million loan for a crossborder electricity initiative between India and Bangladesh, which is expected to provide impetus for increased power trading in the South Asian region. The Manila headquartered bank's board has approved loan for the Bangladesh-India Electrical Grid Interconnection Project, which is scheduled for completion by December 2012, ADB said in a statement. "The funds will be used to build a 40 kilometer 400 kv transmission line, along with a high voltage direct current substation and connecting loop, linking the western electrical grid of Bangladesh with India; s eastern grid," it said. The project is expected to result in flow of at least an additional 500 megawatt of power to Bangladesh by 2012. It would be beneficial for the country where less than half of its 15.6 crore people have access to power. "Connecting the two grids will demonstrate the substantial economic benefits that come from enhanced regional cooperation and help to address energy gaps across the region," ADB Director General (South Asia department) Sultan Hafeez Rahman said. ADB's loan, from the Asian Development Fund, will take care of around 63 per cent of the total costs project of USD 156.8 million. The loan has a 32-year term, including a grace period of eight years, with interest charged at 1 per cent annually during the grace period and 1.5 per cent per annum for the rest of the term. "The balance of the investment of USD 58.6 million will be funded by government of Bangladesh, while interconnection facilities on the Indian side will be financed, developed and operated by India," ADB said. (The Indian Express)

Sensex closes 242 points higher

A benchmark index for Indian equities today closed 242 points higher than its previous close, with realty, metal and telecom stocks soaring. The 30-scrip sensitive index (Sensex) of the Bombay Stock Exchange (BSE), which opened at 18,027.12 points, closed at 18,214.08 points (provisional), 242.96 points or 1.35 per cent up from its previous close at 17,971.12 points. It had risen to 18,227.14 points earlier. At the National Stock Exchange (NSE), the broader 50-share S&P CNX Nifty ended 0.6 per cent up at 5,435 points. Broader markets indices also closed in the green. The BSE midcap index shut shop 1.69 per cent higher, while the BSE smallcap index closed 1.87 per cent up. (The Statesman)

Exports clock 13.2% growth in July

Exports in July grew by 13.2 per cent, the lowest expansion so far this fiscal, to \$16.24 billion as major markets like the USA and Europe are facing fragile economic recovery. During the first three months of 2010-11, the shipments grew by about 30 per cent. In July 2009, exports stood at \$14.34 billion, according to the official data released. Commerce secretary Mr Rahul Khullar had recently said that the slowdown in the growth rate might continue for the rest of the fiscal as the developed countries might go for fiscal consolidation by partially rolling back economic stimulus packages. India's exports showed robust growth rates in April (36.2 per cent), May (35.1 per cent) and June (30.4 per cent). Industry experts opined that as the government had announced some more incentives to the laggard sectors, exports would achieve the target of \$200 billion in 2010-11. "The sops provided by the government in the Foreign Trade Policy will help in getting close to the target of \$200 billion in the current fiscal," Axis Bank chief economist Mr Saugata Bhattacharya said. "The sops would help in achieving \$200 billion export target," international trade expert with India's prestigious Indian Institute of Foreign Trade Mr Rakesh Mohan Joshi said. Imports in July grew by 34.3 per cent to \$29.17 billion from \$21.72 billion in the corresponding period last year, indicating a rapid pace of domestic economic activity. As a result, trade deficit widened to \$12.93 billion from \$7.38 billion a year ago. Oil imports increased by 4.4 per cent to \$7.66 billion in July, while the non-oil imports rose by 49.6 per cent to \$21.50 billion. For the April-July period, exports grew by 30.1 per cent to \$68.62 billion over the comparative months last year. Imports during the four months to July grew by 33.3 per cent to \$112.21 billion year-on-year. During April-July, trade deficit increased to \$43.58 billion compared with \$31.42 billion last year. After witnessing contraction for 13 months till November 2009 due to the global demand slump, exports entered into the positive territory and have since posted a decent growth. In the annual review of FTP, the government has announced various incentives, including extension of two per cent interest subsidy to sector like leather, engineering, textiles and jute. Besides, benefits under market-linked focus product scheme to garment exports to EU extended till March 2011. (The Statesman)

Foreign Relations/Geo-strategic developments:

India to suspend defence exchanges with China

India has decided to suspend defence exchanges with China following Beijing's refusal to allow the Army's Northern Command chief, Lt. Gen. B.S. Jaswal to join a military delegation for a high-level visit. In retaliation, India has refused to allow two Chinese Army captains to attend a defence course and a colonel to speak at a higher defence course. While border meetings between Army personnel will continue as before, a cloud hangs over future military exchanges and even a joint exercise. It will remain so until China "unties the knot it has tied," said senior officials. Pointing out that India's sensitivities on Kashmir are similar to China's on Tibet, the sources said China questioning the State's status by resorting to this move was unacceptable. "There is little point in taking forward other exchanges in the defence area," added the officials. A senior official found it strange that while China had hosted the Army's Eastern Command chief (now the Chief of the Army Staff) even though it has claims on large parts under his military jurisdiction, it objected to the visit of the Northern Command chief even though the main discord over territory is between India and Pakistan. "It appears that Pakistan's interests are more important than their own. They seem to be more sensitive to Pakistan's concerns." "While we value our exchanges with China, there must be sensitivity to each other's concerns. Our dialogue with China on these issues is ongoing," said Foreign Office spokesperson Vishnu Prakash. Chinese Ambassador to India Zhang Yan met Foreign Office officials but sources denied that the refusal of visa to Lt. Gen. Jaswal was discussed. Last year, India protested against the Chinese practice of issuing visas to Kashmiris on separate pieces of paper. Asked if India would retaliate in other areas, the sources said it was not a question of tit for tat. "We have a complex relationship with China. We have taken stock of the situation and stated our position as clearly as we did in the case of stapled visas." Expressing themselves in favour of continuing with the dialogue in a wide range of areas, the sources noted that despite ups and downs in the relationship, both sides acted with maturity and were able to keep the discussions going. Hoping that the controversy would have a "short life," the sources said that until the boundary question was resolved, such exchanges would help build confidence among the defence establishments. "There is a degree of comfort in communicating after defence officials meet each other. It helps in improving the general atmosphere," added officials. (The Hindu)

We don't look at reciprocity from neighbours: Manmohan

India is engaging its neighbours without looking at reciprocity, Prime Minister Manmohan Singh said on Friday. Speaking at the third Heads of Missions conference Dr. Singh emphasised the need for a peaceful and tranquil international environment in the neighbourhood and felt India's foreign policy should be oriented towards East and Southeast Asia which were poised for a sustained growth in this century. Touching upon the same theme, External Affairs Minister S.M. Krishna felt that India's interests were

best served by a peaceful and prosperous neighbourhood. "We believe that dialogue can address all outstanding issues and have seen from 2004-07 the potential of such a process with Pakistan. Given the complexities of our relationship with Pakistan, we have advocated a step-by-step graduated approach." We have conveyed to Pakistan that credible and effective action by Pakistan on our terrorism-related concerns, including the investigations and trial in the Mumbai terror attack [case], would be the most important confidence-building measure." (The Hindu)

Foreign policy, domestic priorities intertwined, says Nirupama Rao

The intersection of the domestic environment for national development and the state of health of our neighbourhood relationships has never been as sharply defined as it is today, Foreign Secretary Nirupama Rao said. "How do we align our foreign policy objectives with the country's fundamental security and development priorities? How do we combine a firm commitment to our core national values with dynamic, flexible adaptation to changes in the international environment? How do we ensure that our periphery remains peaceful and free from tension so that our economy can grow even more rapidly? How do we deal with the threats of transnational terrorism, especially that which emanates in our close neighbourhood? How can the Ministry of External Affairs best adjust [itself] to the exponential increase in demands on its expertise, experience, time and resources?" she asked over 100 Indian ambassadors, in her speech at the third conference of heads of missions. Ms. Rao said the debate on the nuclear liability Bill, the targets set for electricity generation from nuclear energy, and the steady expansion of dialogue with key partners on cooperation in nuclear energy had shown how foreign policy and domestic priorities were exceptionally intertwined, indicating that the Foreign Office's work was increasingly interconnected with that of other government departments. Union Home Minister P. Chidambaram shared his thoughts on India's security environment and challenges with the heads of missions. He also spoke about the multipronged strategy his Ministry adopted to counter the challenges. Minister of State for External Affairs Preneet Kaur and National Security Adviser Shivshankar Menon addressed the envoys and responded to a number of questions. (The Hindu)

Exchanges not suspended: China

China's Defence Ministry on Saturday said defence exchanges with India were not suspended in the wake of the visa row, adding that India had not notified China of any decision to stop military exchanges. On Friday, Indian officials said New Delhi had denied two Chinese Army officials permission to attend a defence course in India in retaliation to Beijing's decision to refuse visa for the Army's Northern Command chief Lt. Gen. B.S. Jaswal for a planned high-level visit this month, effectively suspending the defence exchanges. Officials at the Foreign Ministry here were tight-lipped over the row, refusing to answer questions on Friday and Saturday. The Ministry of Defence, however, in a statement on Saturday denied that defence exchanges were suspended, insisting that the military relationship was on track. "China has not suspended military exchanges with India, and nor has it received any notification from India of any such suspension," said a statement from the Ministry's press office, which was sent to Reuters. "China takes

seriously developing the military ties with India, and we are confident that both sides will stay focused on the broader picture of bilateral ties between our two countries, acting in a spirit of consultation and unity to promote the healthy development of military ties." The Chinese media have, so far, not reported on the defence row. A source at an official government newspaper said the State-run media had been instructed to play down the issue, and to wait for guidelines from the government on how to report on the row. The visa row is the latest of a series of recent differences the two countries have had over China's policies with regard to Kashmir. The two countries have had a series of high-level exchanges this year, starting with the visit of External Affairs Minister S.M. Krishna in April, and following with President Pratibha Patil's visit in May and National Security Adviser Shivshankar Menon's visit to Beijing in July as the Prime Minister's Special Envoy. During the series of talks, Indian officials said they impressed upon their Chinese interlocutors the need for both countries to be more sensitive to each others' "core interests," if the relationship was to move forward. (The Hindu)

Chinese troops in PoK: India conveys concern to China

India on Friday conveyed its concerns to China over its presence in Pak-occupied Kashmir (PoK) and its activities in that region. The Indian move came in the wake of reports of presence of about 11,000 Chinese troops in Jammu and Kashmir's Gilgit-Baltistan region held by Pakistan. The Indian concerns over Chinese "activity and presence" were conveyed by ambassador to China S Jaishankar during a meeting with their vice minister for foreign affairs Zhang Zhijun in Beijing on Friday, according to officials at the Indian embassy. Jaishankar also conveyed India's concerns over the presence of Peoples' Liberation Army (PLA) troops in the region. However, China had on Thursday rejected reports that its troops were in Gilgit region in northern Kashmir. Jaishankar returned to Beijing on Thursday from Delhi where he had briefed the the Cabinet Committee on Security (CCS) on the developments regarding China. The CCS chaired by Prime Minister Manmohan Singh had discussed the matter on Tuesday. Following the US news reports of PLA presence in PoK, India had said it would independently verify the matter which it dubbed as "serious, if true". "If true, it would be a matter of serious concern and we would do all that is necessary to ensure safety and security of the nation," external affairs ministry spokesman Vishnu Prakash had said on Monday when asked to comment on reports in 'The New York Times about the influx of an estimated 7,000 to 11,000 PLA soldiers in Gilgit-Baltistan region. (Times of India)

India to boost defence ties with South Korea

India and South Korea now intend to step up their bilateral defence ties, ranging from cooperation for peace and stability in the Asia- Pacific region to joint defence production in aircraft and warships. Defence minister A K Antony began his first-ever visit to South Korea on Thursday, as a follow-up to South Korean president Lee Myung-Bak's trip to India in January, during which the two countries had decided to elevate their bilateral relationship to "a strategic partnership". Apart from talks to discuss ways to bolster military-to-military ties, the Indian delegation will also visit some military establishments in South Korea. (Times of India)

No troops deployed in Gilgit-Baltistan, says China

China on Thursday denied the presence of its troops in Gilgit-Baltistan, but voiced support to Islamabad's claims on the disputed region by describing it in a statement as "a northern part of Pakistan." India views the region as an integral part of Jammu and Kashmir that is under illegal occupation. China has, in the past, refrained from voicing its support to either Indian or Pakistani claims to the disputed region. "The story that China has deployed its military in a northern part of Pakistan is totally groundless and out of ulterior motive," the Foreign Ministry here said. "We believe the attempts of some people to fabricate stories to provoke China-Pakistan or China-India relations are doomed to fail." Asked if the reference to Gilgit-Baltistan as a "northern part of Pakistan" was an indication of Chinese support to Pakistan's sovereignty claims or whether it was unintended, Foreign Ministry spokesperson Jiang Yu only said China's position was "clear." "About the Kashmir issue, our position is we believe that it is an issue left over from history by India and Pakistan," Ms. Jiang said. "As a neighbour and friend of both countries, China believes the issue should be left to the two countries to be properly handled through dialogue and negotiation." Indian officials, however, say China appears to be recalibrating its position on Kashmir. China is currently engaged in a number of infrastructure projects in the strategically significant region, which borders its Muslimmajority Xinjiang region. Last month, China refused visa to Lt. Gen. B.S. Jaswal, chief of the Army's Northern Command. And, last year, China began issuing stapled visas to Indian citizens from Jammu and Kashmir. Asked if this suggested a change from China's earlier position, Ms. Jiang said: "Our visa policy towards Indian inhabitants from Indiancontrolled Kashmir is consistent and stays unchanged." She did not reply when asked what this policy was, and if Indian citizens from Kashmir indeed faced different visa rules. Ms. Jiang also did not comment on why China refused visa to Lt. Gen. Jaswal, which Indian media reports said was because of China's position that Kashmir was disputed. She said: "After reading the report, we have checked with the competent authority. The relevant media report is not true." Chinese strategic analysts cautioned against "reading too much" into the visa denial, and said China's decades-old position on not interfering in Kashmir remained unchanged. "I do not see any changes in China's policy," Rong Ying, a senior South Asia scholar and vice-president of the China Institute of International Studies (CIIS), an influential think-tank affiliated to the Foreign Ministry, told TheHindu. "It does not make sense to single out a single visa case and relate it to China's policy on Kashmir, or even to the larger context of the overall relationship," he said. "It is also important to remember that the relationship is now mature and developing overall and it can withstand one or two small incidents. Both governments are now quite positive about the relationship, so we should not play up too much one or two disagreements." (Times of India)

Military

India inks deal with US for 24 Harpoon Block-II missiles

Even as defence minister A K Antony is slated to visit Washington later this month, India

has signed yet another arms contract with the US under a direct government-togovernment deal. The latest deal to be inked, worth around \$170 million, is the one for 24 Harpoon Block- II anti-ship missiles to arm the maritime strike Jaguar fighters in IAF's combat fleet. Incidentally, Pakistan has also inducted different variants of Harpoon missiles from the US over the years. While this deal in itself is not all that big, traditional defence suppliers to India -- like Russia, Israel and some European countries -- are increasingly getting worried about the aggressive muscling into the lucrative Indian market by the US, bagging deals as it often does under its Foreign Military Sales programme instead of vying through open global tenders. As earlier reported by TOI, the largest-ever Indo-American defence deal till now -- worth around \$3.5 billion for 10 C-17 Globemaster-III giant strategic airlift aircraft -- is on the verge of being finalised. It will overtake the \$2.1 billion contract for eight Boeing P-8I long-range maritime reconnaissance aircraft inked last year, and the \$962 million deal for six C-130J `Super Hercules' planes clinched in 2007. Washington, of course, also continues to push New Delhi to ink three bilateral military pacts connected with technology safeguards and logistics. India, however, is still not fully convinced about the benefits of the three pacts -- Logistics Support Agreement (LSA), Communication Interoperability and Security Memorandum Agreement (CISMOA) and Basic Exchange and Cooperation Agreement for Geo-Spatial Cooperation (BECA). The deadlock over the three pacts will figure prominently during Antony's visit to the US. Antony is also expected to reiterate India's concerns about the massive US military aid being supplied to Pakistan in the name of the global war on terror. Antony has already made it clear that the military aid, which ranges from new F-16 fighter jets to a wide array of missiles, is clearly disproportionate to Pakistan's requirement to fight against the Taliban on its Afghan border. (Times of India)

Indian Occupied Kashmir:

A mastermind of Kashmir protests

Asiya Andrabi, head of the Dukhtaran-e-Millat (DeM), arrested on Saturday, was a hardcore separatist. She had been evading arrest for the last three months since the violent protests erupted in Kashmir. She is believed to be one of the masterminds of the protests along with Masarat Alam Bhat, leader of the pro-Pakistan Muslim League, and they spearheaded the "Quit Jammu and Kashmir" campaign. Both the DeM and the Muslim League are constituents of the Hurriyat Conference faction led by Syed Ali Geelani. Alam is also carrying a cash reward of Rs. 3 lakh on her head. Asiya shot into prominence in the late 1980s when she launched the DeM essentially against social vices. However, she jumped into the separatist campaign, which began with the armed insurgency in 1990. She has been a strong supporter of an "Islamic State" and the State's merger with Pakistan. She has been jailed several times for supporting militant activities. Once her infant son also spent a year with her in jail. Andrabi is married to the former militant commander and Islamist separatist leader, Aashiq Hussain Faktoo alias Mohammad Qasim who is serving life imprisonment in the case of murder of rights activist H.N. Wanchoo. (The Hindu)

Geelani announces fresh protest calendar

Hardline separatist leader Syed Ali Shah Geelani on Thursday issued another protest calendar against the killing of 65 people in security forces firing on protesters since mid-June. Geelani asked people to observe complete strike and stage peaceful sit-ins on September 6. "On September 7 and 8, people shall observe complete strike and offer special prayers for the respectable release of the detainees," the hardline leader said in a statement. He asked the people to observe a bandh four days later and march to the United Nations office in Srinagar the following day on September 13. A complete bandh, meanwhile, was observed against the killings across the Valley on Thursday. Authorities imposed a curfew in southern Anantnag town to prevent protests against the killing of a teenager in police firing earlier this week. (Times of India)

Social front:

Three new Indian payloads for Chandrayaan 2, decides ISRO

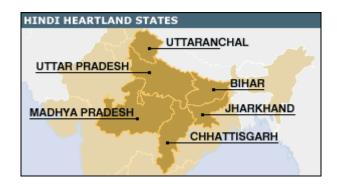
The second Indian space mission to the moon, Chandrayaan 2, scheduled for 2013, will have three new Indian payloads and will repeat two instruments from the 2008 Chandrayaan 1 mission that lead to the discovery of water in the form of ice near the North Pole of the moon. The Indian Space Research Organization (ISRO) on Monday announced that a national committee of experts had picked five scientific payloads to be on the orbiting Chandrayaan 2 spacecraft and two instruments on the rover that is set to land on the moon with the help of a Russian lander. The committee has not picked any foreign payloads for the mission though a large number of agencies have evinced interest in the mission. ISRO officials said a decision on including other payloads would be taken as the mission progresses. "Inclusion of additional payloads, if possible within the mission constraints, will be considered at a later date following a detailed review," ISRO said. ISRO said the five instruments for the spacecraft had been picked by the experts committee on the basis of detailed considerations of the mission requirements for Chandrayaan 2, including the weight and power available for the scientific payloads. The Rs 500 crore Chandrayaan 2 spacecraft will weigh about 2,650 kg at lift-off, of which the orbiter weight is about 1,400 kg and lander weight is about 1,250 kg. The spacecraft is to be launched by ISRO's Geosynchronous Satellite Launch Vehicle. Greater analysis of the moon and a more in-depth study of findings from the first Indian mission to the moon are among the main mission objectives. The two improved instruments from the Chandrayaan 1 mission that will be on board Chandrayaan 2 will be from the Space Applications Centre in Ahmedabad — an L and S band Synthetic Aperture Radar (SAR) and the Terrain Mapping Camera (TMC-2). The SAR will be used "for probing the first few tens of meters of the lunar surface for the presence of different constituents including water ice. SAR is expected to provide further evidence confirming the presence of water ice below the shadowed regions of the moon," ISRO said. The TMC-2 will be used for preparing a three-dimensional map essential for studying the lunar mineralogy and geology. The new instruments recommended on Chandrayaan 2 will be a Large Area Soft X-ray Spectrometer (CLASS) from the ISRO Satellite Centre at Bangalore alongside a Solar X-ray Monitor (XSM) from the Physical Research Laboratory in Ahmedabad for mapping the major elements present on the moon's surface. There will also be an Imaging IR Spectrometer (IIRS) from SAC, Ahmedabad for the mapping of lunar surface over a wide wavelength range for the study of minerals, water molecules and hydroxyl present and a Neutral Mass Spectrometer (ChACE-2) from Space Physics Laboratory (SPL), Thiruvananthapuram to study the lunar exosphere in detail. On the rover that will land on the moon the two instruments identified to study the area around the landing site are a Laser Induced Breakdown Spectroscope (LIBS) from the Laboratory for Electro Optic Systems at Bangalore and an Alpha Particle Induced X-ray Spectroscope from PRL. The payloads for Chandrayaan 2 were finalised by experts from ISRO, academic institutions and research laboratories under Prof U R Rao, Chairman, Advisory Committee on Space Sciences. The first Chandrayaan mission, launched in October 2008, had 11 scientific payloads including a Moon Minerology Mapper and a Mini SAR from NASA, that provided the initial data for scientific publications of the presence of water on the moon. The lift off weight of Chandrayaan 1 was 1380 kg. (The Indian Express)

CWG getting negative publicity abroad

Commonwealth Games organisers are now facing negative publicity not only at home but also in the foreign media over the dengue fever outbreak in the capital and the slow pace of work on projects. The extensive coverage in the foreign media, including in leading newspapers like 'The Financial Times' and 'The Sydney Morning Herald', is likely to add to the woes of the Games organisers who are already facing heat back home due to allegations of scams and incomplete projects. The Financial Times in a report published yesterday says, "India's aspirations for glory as the host of the upcoming Commonwealth Games faces a fresh problem: a serious dengue fever outbreak that is threatening to scare off athletes and fans". Quoting official figures on dengue, the newspaper goes on to say according to Delhi hospitals the dengue wards are overflowing with cases far exceeding the normal levels. The Sydney Morning Herald said, "An increased risk of dengue fever has been added to the list of headaches for the New Delhi Commonwealth Games organisers. "Monsoon rain coupled with venue construction sites have massively increased the areas of standing water that are ideal breeding sites for the type of mosquito that spreads the disease". A report by the Australian Associated Press (AAP) says, "Measures to combat an outbreak of dengue fever during the Commonwealth Games in India could prove more harmful than effective". It further said, this year's outbreak is double the annual figure and has been blamed in part on the mass of construction efforts to build roads, sporting venues and other capital projects required for the Games. Another report in the 'Malaysia Insider' says that "on top of construction chaos and corruption concerns, organisers of the Delhi Commonwealth Games are now grappling with a mosquito crisis at sporting venues and are even employing larvae-eating fish". "A heavy monsoon and the Games construction sites across the city, where water has gathered in large pools, have led to heightened fears this year about mosquito-borne diseases. The insects breed in stagnant water," it says. (Times of India)

Regional Report

Central India (Hindi Heartland)

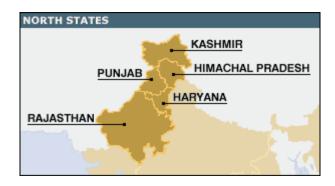


Politics:

Social front:

Economic Front:

The North



Politics:

Social front:

Economic Front:

The East



Politics:

Social front:

Economic Front:

Railway projects will generate 10 lakh jobs for youth: Mamata

Railway Minister and Trinamool Congress chief Mamata Banerjee assured the youth of West Bengal that they would get sufficient job opportunities if her party came to power in the State. Ms. Banerjee also said various railway projects initiated across the country, since she took charge of the Ministry in 2009, would generate over 10 lakh jobs. Ms. Banerjee accused the ruling Left Front government of "wasting" 34 years of its rule by not creating any new job avenue for youth, and asked students to "wait for four more months for a change to come." "Hundreds of meritorious students went abroad for higher studies and better job opportunities during the period...while no new industry was started, land was acquired from farmers at gun-point. I would request all those who had gone abroad to return as it is our promise to build a new society full of opportunities," she said.(The Hindu)

The South



Politics:

Many central, state ministers behind illegal mining: Yeddyurappa

Karnataka chief minister BS Yeddyurappa said on Friday many central and state

ministers were involved in promoting illegal iron ore mining in the state in the last 10 years and he would expose them. "If a thorough probe is held into the illegal mining in the state in the last 10 years, it will expose several central and state ministers. This will be done," said Yeddyurappa. "I am not the one to keep quiet when baseless allegations are hurled against me. I am not Yeddyurappa if I do not expose them," the chief minister asserted. He was reacting to Congress charges that he had been telling lies by claiming he had not given or renewed mining license during his two-year rule. Yeddyurappa said he had given only two permits in the last two years and renewed several "because of the recommendations from the central government." "I have no other option when the central government recommends," Yeddyurappa added. The chief minister had been asserting all these days that he had not given or renewed even a single license since he came to power in May, 2008. The Congress on Wednesday claimed that Yeddyurappa had sanctioned 15 mining leases and recommended to the central government to give permission to nine companies to mine in about 1,000 acres. "We have documents to show that Yeddyurappa permitted mining leases to 15 firms and recommended to the central government to give permission to mine to nine companies in about 1,000 acres," VS Ugrappa, former leader of the Congress party in the legislative council, had told reporters here. Yeddyurappa denied he had acted illegally in sanctioning the two permits. The first BJP chief minister in Karnataka and south India has been under tremendous pressure to act against illegal mining as two of his cabinet ministers are mine owners. Tourism minister G Janardhana Reddy and his elder brother revenue minister G Karunakara Reddy, who were small businessmen, have become billionaires in just over eight years after entering mining sector in 2002. They are accused of large-scale illegal mining both in Karnataka and neighbouring Andhra Pradesh. The Reddy brothers deny the charges. Yeddyurappa said additional staff will be provided to the Lok Ayukta (Ombudsman) N Santosh Hegde, who has been entrusted with the probe into illegal mining since 2002. "One more Upa Lok Ayukta (deputy ombudsman) will also appointed in consultation with the Lok Ayukta," the chief minister said. There is already one Upa Lok Ayukta. Yeddyurappa said a probe by the crime investigation department (CID) of state police has found that 45 firms were involved in illegal export from Belekeri port in Uttara Kannada district, about 500 km from here. Cases have been registered against 58 persons in this connection, he said. The illegal export of iron ore from Belekeri came to light in June when it was found that over 400,000 tonnes of ore illegally stored there and seized by Lok Ayukta were missing. While the Lok Ayukta fears that up to 800,000 tonnes of ore had been illegally exported from Belekeri, the CID says it has so far found that 465,000 tonnes had been sent abroad. (Times of India)

A year after YSR's death, Andhra Congress still divided

The Congress high command's measures to placate the Jaganmohan Reddy camp have clearly not worked, with the two groups steering clear of each other while observing the first death anniversary of Y S Rajasekhara Reddy on Thursday. YSR's son Jaganmohan Reddy and close relatives met at the family estate in Idupulapaya, Kadapa, and YSR loyalists observed their own functions in various district headquarters. While Union ministers M Veerappa Moily and J D Seelam joined Jagan and family at Idupulapaya, the state Congress and ministers in the Rosaiah cabinet held official functions on YSR's first death anniversary at which Jagan loyalists were not present. According to AICC sources,

Moily told Jagan that the Congress's decision to express condolence to the families whose members committed suicide on hearing about YSR's death was an opportunity for him to gain the party's confidence. He advised Jagan to discontinue his Odarpu Yatra, which was being seen as an act of defiance. "Now that the party itself wants to console the families, you can meet them under the party programme along with other leaders," Moily is believed to have told Jagan. But with the Jagan camp unwilling to call off the Odarpu yatra beginning in Prakasam district on Friday despite the high command announcing Rs 1 lakh compensation to the families of people who committed suicide or died of shock after YSR's death, Moily is said to have told Jagan that a confrontation is building up between the party high command and him and suggested that he make a graceful exit. Jagan has been allowed to complete the yatra in Prakasam district but told not to go any further. Jagan's reaction to the suggestion is not known. But Moily is said to have left for Bangalore in the hope that Jagan would join in the official party programmes. (Times of India)

Social front:

Economic Front:

West India



Politics:

Saffron Terrorism: PM should apologies to people, says Modi

Gujarat Chief Minister Narendra Modi again sought an apology from Prime Minister Manmohan Singh for use of the term 'Saffron Terrorism' by the Home Minister. "The post of the Prime Minister has been devalued and he has become helpless as someone else is in control of the administration," Modi said at a public function after inaugurating a slew of civic project in the city. Criticising Union Home Minister P Chidambaram for using the term 'saffron terrorism' Modi said, "it is the height of misfortune that the Union Minister has demeaned the chair which was once held by the Iron man of India, Sardar Patel." "Is not there a saffron flag on a temple? Would you call it a centre of terrorist activity? Sawmi Vivekanand, Dayanand Saraswati, Shankracharya, Swami Ramdas and others who have sacrificed for the country wore saffron clothes. Are you calling them terrorist?" Modi asked. "Every Congressmen will have to answer this. And the Prime

Minister has to apologies to the people of the country for this," the chief minister added. Modi said saffron colour is an integral part of Indian tradition. "By conning the term 'saffron terrorism', the Home minister has caused insult to the Indian heritage," he added. Modi also said that even PM has acknowledged the fact that Gujarat has been able to curb communal violence. Attacking the Congress on the alleged misuse of CBI against him, Modi said one cannot make place in people's heart through CBI. Modi also dared the Congress-led UPA government to compete with Gujarat on the development front. "The Union government had the country, entire administration and crores of rupees at its disposal. I dare the Union government that despite of all this, Gujarat will be far ahead if there was a competition," Modi said. He said those bent on demeaning Gujarat will be taught lesson by the people themselves. The Chief Minister, today dedicated number of project to the people which included a recreation centre, water pumping and distribution station, a sports and commercial complex, a Sardar Patel Heritage Hall and Zonal office of New western zone of the city to name a few. The Chief Minister speaking at a function in Vadodara yesterday also had demanded an apology from the Prime Minister on the 'saffron terrorism' issue. (The Indian Express)

Social front:

Economic Front:

Gujarat looks to tap Israeli investors

A business delegation from Gujarat has appealed to the Israeli business community to partner with the state, bringing out its relative strength as an investment friendly destination. Speaking at a seminar attended by senior executives of leading Israeli companies, the leader of the 11-member Gujarat delegation, Mukesh Kumar, the Managing Director of Industrial Extension Bureau, presented the major achievements of the state in various sectors calling upon Israeli businesses to participate in the Fifth Vibrant Gujarat Global Summit to be held on 12-13 January, 2011, to identify scope of partnership. "While our national economy is growing at 7.2 per cent, Gujarat's annual rate of growth has been consistently in excess of 10 per cent. "The progressive steps taken by the state to maintain its leadership position is reflected in all the important sectors," Kumar told Israeli businessmen. The senior official also emphasised on the possibility of cooperation between various Israeli and Gujarati institutes of learning, calling upon for exchange programmes, as the state is putting special emphasis on imparting quality education. Sujit Ghosh, first secretary at the Indian embassy in Tel Aviv, highlighted the remarkable progress made by the two sides in enhancing bilateral trade which is likely to hit the USD 5 billion mark this year as per available trend. Officials from the two countries have also started discussions towards signing a Free Trade Agreement. Several Israeli businesses expressed interest in participating in the Vibrant Gujarat Global Summit with their senior executives enquiring about state government policies in various sectors. Several questions were asked by participants regarding Gujarat's solar policy which has generated more interest among investors than the centre government's Jawaharlal Nehru National Solar Mission which is offering more attractive terms for investors. India has leaped to become Israel's second largest export destination, only next to close ally the US, as the Jewish state focusses at tapping potential in the Asian markets. As per the figures provided by Israel's Export and International Cooperation Institute, India jumped from the eighth position to second as the favoured destination for Israeli exports in the first half of 2010. India and Israel have registered phenomenal growth in bilateral trade starting from humble figures of USD 200 million in 1992 when diplomatic relations were established between the two countries and approaching the USD 4 billion mark in 2008, with still room for improvement. (The Indian Express)