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Executive Summary

There has been a healthy tradition of national consensus in the conduct of India's Foreign Policy. The United Progressive Alliance (UPA) Government led by the Congress Party under the leadership of Prime Minister Dr. Manmohan Singh, on assumption of power in May 2004, entrusted the External Affairs portfolio to Shri K. Natwar Singh, a career diplomat and veteran in the conduct of foreign policy and international relations. He is assisted by two Ministers of State, Shri E. Ahamed and Shri Rao Inderjit Singh. Shri Shyam Saran took over as Foreign Secretary from Shri Shashank on 1 August 2004.

The guiding principles of India's Foreign Policy have been founded on Panchsheel, pragmatism and pursuit of national interest. In a period of rapid and continuing change, foreign policy must be capable of responding optimally to new challenges and opportunities. It has to be an integral part of the larger effort of building the nation's capabilities through economic development, strengthening social fabric and well-being of the people and protecting India's sovereignty and territorial integrity. India's foreign policy is a forward-looking engagement with the rest of the world, based on a rigorous, realistic and contemporary assessment of the bilateral, regional and global geo-political and economic milieu.

The UPA Government accorded high priority to continuing the composite dialogue with Pakistan and further strengthening the already existing close relations with neighbouring countries and India's extended neighbourhood. Major world powers, notably the permanent members of the UN Security Council, Brazil, Egypt, Germany, Japan, Mauritius, Nigeria, Senegal, South Africa and ASEAN countries, engaged the Ministry's high attention. But even greater priority and attention was accorded to countries in Africa, Latin America and Small Island countries in India's bid to forge new partnerships of mutual advantage, thereby contributing towards the process of socio-economic development and building world peace.

Even though India is not a traditional donor country, nearly 1,300 crores rupees were spent in providing overseas development aid to friendly countries.

Neighbours

The logic of geography is unrelenting and proximity is the most difficult and testing among diplomatic challenges a country faces. While globalization has brought many benefits and opportunities for development and enrichment of our lives, there are also fears of losing one's identity and of being overwhelmed by the powerful and technologically advanced societies.

India is today one of the most dynamic and fastest growing economies of the world. It constitutes not only a vast and growing market, but also a competitive source of technologies and knowledge-based services. Countries across the globe are beginning to see India as an indispensable economic partner and seeking mutually rewarding economic and commercial links with its emerging economy. Should not India's neighbours also seek to share in the prospects for mutual prosperity India offers to them? Do countries in our neighbourhood envisage their own security and development in cooperation with India or in hostility to India or by seeking to isolate themselves from India against the logic of our geography?

Some neighbours have taken advantage of India's strengths and are reaping both economic and political benefits as a result. Others are not. If globalisation implies that no country can develop in an autarchic environment, is this not true even more for countries within a region? If SAARC is to evolve into an organisation relevant to the aspirations of the peoples of South Asia, then these questions will need deep reflection and honest answers.

India would like the whole of South Asia to emerge as a community of flourishing democracies. India believes that democracy would provide a more enduring and broad-based foundation for an edifice of peace and cooperation in sub-continent. Half a century of political experience in South Asia has provided a clear lesson that while expediency may yield short term advantage, it also leads to a harmful corrosion of our core values of respect for pluralism and human rights. The interests of the people of South Asia sharing a common history and destiny, requires that we remain alert to the

possible dangers we face when attempts are made to extinguish a democratic order or yield space to extremist and communal forces. While democracy remains India's abiding conviction, the importance of its neighbourhood requires that India remains engaged with whichever government is exercising authority in any country in its neighbourhood.

India is prepared to throw open its markets to all the neighbours. India is prepared to invest capital in rebuilding and upgrading cross-border infrastructure with each one of them. In a word, India is prepared to make its neighbours full stakeholders in India's economic destiny and, through such cooperation, in creating a truly vibrant and globally competitive South Asian Economic Community.

Afghanistan: Bilateral relations between India and Afghanistan attained a new level of intensity and cooperation. There were regular political interactions between the two countries. Prime Minister, in his meeting with President Karzai in New York on the sidelines of UN General Assembly, underlined India's commitment to further strengthen bilateral relations between the two countries and also reiterated India's support for the economic reconstruction effort in Afghanistan. India's present commitments add up to US \$ 400 million over the period 2002-2008, which is a substantial amount for a non-traditional donor.

Bangladesh, Maldives and Sri Lanka: India maintained close relations with Bangladesh, Maldives and Sri Lanka. India's quick response in providing relief assistance to Sri Lanka and Maldives following the tragic 26 December 2004 Tsunami devastation, has been widely recognised.

Bhutan: India's relations with Bhutan are characterised by a high level of mutual understanding, trust and confidence. The regular exchange of high level visits imparts new dynamism and momentum to our growing and mutually beneficial cooperation. His Majesty King Jigme Singye Wangchuck of Bhutan was the Chief Guest at the Republic Day celebrations in January this year.

Myanmar: India's policy of constructive engagement with Myanmar continued during 2004-05. Senior General Than Shwe, Chairman of the State Peace and Development Council (SPDC) of Myanmar paid a State visit to India from 24-29 October 2004. He categorically stated that Myanmar would not allow its territory to be used for insurgent activity against India. India is also working towards economic development and integration of the North Eastern states with Myanmar by developing mutually beneficial cross border

projects in the fields of roads, railways, power, science and technology, communications and information technology. Further, Myanmar is emerging as an important partner in strengthening India's energy security.

Nepal: India is deeply concerned about the political and security situation in Nepal, following the dissolution of the multi-party Government, declaration of emergency and arrest of political leaders by the King of Nepal on 1 February 2005. These developments in Nepal constitute a serious setback to the cause of democracy, which would only benefit the anti-constitutional forces. India has always believed that the challenges being faced by Nepal can be addressed effectively only on the basis of national consensus. In this context, we have called for an early revival of normal democratic processes in Nepal. On its part, India will continue to support all efforts for the restoration of political stability and economic prosperity in Nepal.

Pakistan: The Government pursued a proactive policy of constructive engagement to establish peaceful, friendly and cooperative relations with Pakistan with the larger objective of cementing a viable structure of peace and stability in South Asia. Based on the solemn commitment given by the President of Pakistan on 6 January 2004 in Islamabad not to permit any territory under Pakistan's control to be used to support terrorism, the two countries maintained their Composite Dialogue in 2004-05. The engagement has resulted in significant achievements such as restoration of relations at the level of High Commissioners, enhanced people-to-people and institutional contacts, and increased communication links. Significantly, the Ceasefire has held since November 2003. Both countries are currently negotiating various proposals, which will enhance security, improve economic cooperation, and institutionalize bilateral contacts. The year 2004-05 also witnessed high level contacts such as meeting between Prime Minister Dr. Manmohan Singh and President General Pervez Musharraf in New York on 21 September 2004, and Pakistan PM Shaukat Aziz's visit to India from 22-23 November 2004. External Affairs Minister met the Foreign Minister of Pakistan on 5-6 September 2004 in Delhi to review the overall progress in the Composite Dialogue and made a bilateral visit to Pakistan from 15-17 February 2005, where it was agreed to commence the Muzaffarabad-Srinagar Bus Service w.e.f. 7 April 2005 and start a bus service from Amritsar to Lahore, including to religious places such as Nankana Sahib.

Iran: The year 2004-05 saw further deepening and consolidation of India-Iran ties. The increased momentum of high-level exchanges, institutional linkages between their

National Security Councils and Joint Commission Meeting were the highlights in 2004-05. The common resolve to impart a strategic character to the relationship was conceptualized and expounded in the New Delhi Declaration, signed in January 2003, which touches upon all aspects of bilateral relations as well as regional and global issues of mutual concern.

South East Asia and Pacific

India's relations with countries of South East Asia and the Pacific continued to broaden and intensify during the year. Important visitors from the region were Prime Ministers of Singapore, New Zealand and Malaysia. The Foreign Minister of Solomon Islands visited India in January 2005. External Affairs Minister attended a Special ASEAN Leaders' Summit in Jakarta in the aftermath of the Tsunami disaster. He visited Indonesia to participate in the 11th ARF Meeting and during the visit, a bilateral MoU on Cooperation to Combat International Terrorism was signed with Indonesia. He also signed separate MoUs with Laos, Myanmar and Vietnam for setting up Entrepreneurship development Centres by India in the three capitals. The first of such Centres was inaugurated by External Affairs Minister in Vientiane on 27 November 2004.

East Asia

China: India continued to view bilateral relations with China in a positive spirit, seeking friendly, cooperative, good-neighbourly and mutually beneficial relations on the basis of the Five Principles of Peaceful Coexistence and mutual sensitivity to each other's concerns and aspirations. India also maintained its commitment to the process of dialogue to resolve outstanding differences and to build a long-term constructive and cooperative relationship with China, marked by continuity, consolidation, and sustained momentum of high-level dialogue. Prime Minister Dr. Manmohan Singh met Chinese Premier Wen Jiabao on 30 November 2004 on the sidelines of the 3rd India-ASEAN Summit in Vientiane, Laos. Bilateral dialogue mechanism was strengthened with the introduction of the Strategic Dialogue, which was held between Foreign Secretary and Chinese Vice Foreign Minister in New Delhi on 24 January 2005. Confidence Building Measures between the two militaries were further strengthened through exchanges/interactions at various levels. India-China trade maintained its momentum of growth and crossed the US\$ 13 billion mark in 2004. A notable event during the year was the commemoration of the fiftieth anniversary of Panchsheel which was jointly propounded by India and China, with events organised in the capitals of both countries.

Japan: The period 2004-05 was an active year in bilateral relations between India and Japan. The momentum of exchanges between the two countries continued during the year in pursuance of the Global Partnership for the 21st Century that India and Japan jointly established in 2000 to broaden and deepen bilateral relations. Prime Minister Dr. Manmohan Singh met Prime Minister of Japan Mr. Junichiro Koizumi on the sidelines of ASEAN Summit in Vientiane, Laos on 29 November 2004 during which both leaders discussed issues of mutual concern. Japanese Foreign Minister Yoriko Kawaguchi visited India from 12-14 August 2004. Both sides agreed to support each other's candidature for permanent seat in the expanded UN Security Council and closely work together towards realizing the reform of the UN Security Council.

Republic of Korea (ROK): The year 2004-05 marked the 30th Anniversary of the establishment of diplomatic relations between India and the ROK. President Mr. Roh Moo-hyun's visit to India from 4-6 October 2004 gave further impetus to bilateral relations. External Affairs Minister visited ROK from 14-16 December 2004 to co-chair the third session of the India-ROK Joint Commission.

Eurasia

India's relationship of friendship, warmth and mutual support with the countries of the Commonwealth Independent States (CIS) region was further strengthened during the year. A 'Focus CIS' programme was launched to provide a boost to economic and trade relations. High level visits were exchanged on a regular basis with the countries of the region. These were complemented by the visits of trade delegations and through participation in industrial and consumer goods exhibitions. Indian cultural festivals and media exchanges have further enhanced the scope of India's relations with the region.

Indo-Russian relations are a matter of considerable importance to both the countries. This year witnessed a concerted effort by both the sides to transform cooperation from a declaratory stage to a constructive phase. The visit by President Vladimir V Putin to India from 3-5 December 2004 for the fifth India-Russia Annual Summit provided an occasion for both the countries to review the state of their bilateral relations, discuss regional and international issues of mutual concern and to provide a bilateral focus on energy, IT, banking and other areas of high technology.

The third trilateral meeting of the Foreign Ministers of Russia, China and India was held on 21 October 2004 at Almaty on the sidelines of the CICA Foreign Ministers'

Meeting. They exchanged views on issues of regional and international interest, and agreed to explore the possibility of trilateral economic cooperation.

Europe

India's engagement with the individual countries in Europe and the European Union continued to grow during the year. Interactions were marked by regular exchanges of visits, including at the highest level, demonstrating a mutual desire to deepen and diversify bilateral relations. India shared a strategic relationship with France, Germany and UK and growing ties with a number of other countries in Europe, aimed at promoting more intensive bilateral cooperation over a wide range of areas. The 5th India-EU Summit, held at The Hague in November 2004, was a landmark in India's relations with the EU, for it launched the India-EU Strategic Partnership in recognition of India's growing stature as a major regional and global player. Interactions with individual member countries in Europe reflected a shared understanding on various international issues. On the debate of the UN reforms, India was able to garner significant support from several EU Member States. India and Germany, in a strategic move, agreed to support each other's candidature in an expanded UNSC.

Economic considerations continue to underpin India's strong ties with countries in Europe. EU Member States' desire to enter into bilateral agreements/MoUs for enhanced S&T cooperation in niche areas of technology, demonstrate the growing recognition of India's potential in this area. The civil society dialogue with the major European countries, represented by the different Eminent Persons Group, contributed to strengthening the multi-faceted relationship.

India has traditionally enjoyed friendly and substantive relations with 29 countries of the Europe-II Division, created in the Ministry in March 2004. The year under review saw epochal changes in the eco-political geometry of the region. On 2 April 2004 seven East European countries, viz. Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia joined the North Atlantic Treaty Organisation (NATO). A month later, the European Union was enlarged to take ten more Member States. By the year-end, the EU decided that Bulgaria and Romania were on track to join the body in 2007/2008. The EU also decided to commence accession negotiations with Croatia and Turkey. The EU being our largest trading partner and source of investment, the ongoing changes have direct implications for India. The Ministry has encouraged and fostered high-level political interactions and increased economic cooperation with all the countries.

Gulf Countries

The year 2004-05 witnessed significant developments in India's relations with the Gulf countries including the visit by External Affairs Minister to Oman and UAE in December 2004, Kuwaiti Foreign Minister to India in August 2004, Minister of State Shri E. Ahamed to Saudi Arabia (June & November 2004), Bahrain (August 2004), Qatar (October 2004), Oman (November 2004) and Yemen & Kuwait (February 2005). Signing of the Framework Agreement on Economic Cooperation between India and GCC is a landmark development. President of India visited Abu Dhabi in November 2004 to condole the death of President Sheikh Zayed. The Conference of Heads of Mission in West Asia was held in Dubai under the Chairmanship of External Affairs Minister to give a fresh direction and thrust to our diplomatic efforts in the region. India participated in the Iraq Donors Conference in Doha (May 2004) Tokyo (October 2004). Three Indian nationals, who were held hostage by an Iraqi militant group in July 2004, were released unharmed after sustained diplomatic efforts. Extradition Treaties were signed with Kuwait and Oman. The GCC countries extended broad support to India's candidature for Permanent Membership of the Security Council.

West Asia and North Africa

India's relationship with West Asia and North Africa (WANA) region received further boost during the year. High level visits included visits of Moroccan Prime Minister and Israeli Vice Prime Minister to India. The visit of Moroccan PM was the first high level visit from the Arab world to India since June 2005. A high-level delegation including a Cabinet Minister led by External Affairs Minister attended the funeral of President Arafat at Cairo on 12 November 2004. Economic relations between India and WANA region showed a substantial growth, particularly with Libya and Israel. India has entered the hydrocarbon sector in Sudan, Libya, Egypt and Syria through acquisition of stakes in oil exploration and gas distribution. Mr. Mahmoud Abbas was elected as the new President of the Palestinian National Authority following the demise of President Yasser Arafat. A significant development was the resumption of the peace dialogue between the Israel and Palestinian leadership at Sharm Al Sheikh Summit on 8 February 2005. India has appointed Special Envoy to the West Asia and Middle East Peace Process.

East and Southern Africa

India's relations with the East and Southern African countries strengthened during the year. President of Zanzibar visited India in March 2004. India's Vice President visited South

Africa to participate in their 10th Freedom Day in April 2004. Rashtrapati visited Tanzania and South Africa in September 2004. He had the rare honour of addressing the Pan-African Parliament, the first non-African Head of State to do so.

India participated in various peacekeeping operations in Africa such as Burundi, Ivory Coast, DRC, etc. which had been suffering from civil war, ethnic violence, etc. A large contingent from the Indian army forms part of the UN Force, which is keeping peace between Eritrea and Ethiopia. The present commander of this force (UNMEE – United Nations Mission in Ethiopia and Eritrea) is a senior army officer from India.

There is universal recognition in Africa that India has now become a major power in every sense of the word. This is why most countries of Africa have enthusiastically endorsed India's candidature for a permanent seat in the UN Security Council. The Indian communities in various African countries have, in recent years, proved themselves as a valuable bridge strengthening the relationship between India and their countries of residence.

West Africa

India continued to enjoy cordial links with the countries of West Africa. Indian Diplomatic Missions in West Africa were strengthened and decision has also been taken to reopen the Indian Embassy in Kinshasa, Democratic Republic of Congo. The region holds great promise for India's energy security and the Ministry took the initiative in exploring possibilities to access the oil and petroleum sector in this region, particularly in Angola, Nigeria, Cote d'Ivoire, Mauritania and Equatorial Guinea. India also established its close cooperation with the Economic Community of West African States (ECOWAS) and High Commissioner of India to Nigeria was made the Permanent Representative accredited to the ECOWAS. Technical assistance and development aid continued with food aid being given to Cote d'Ivoire and Guinea. Anti-HIV drugs were also sent to countries in this region. The President of Nigeria paid a transit visit to India in November 2004 and had meeting with Prime Minister. The launch of the new initiative TEAM-9, a techno-economic cooperation venture between India and eight countries of West Africa, was a major initiative aimed at demonstrating the special focus that India was putting on Africa in general and West Africa in particular.

Americas

USA: India and US continued their intensive engagement as reflected in the frequency and intensity of bilateral

contacts and dialogue. Both sides showed strong commitment to engage across the wide spectrum of their relationship that included strategic and security issues, defence, counter-terrorism, counter-proliferation, science and technology, health, trade, space, energy and environment.

The Prime Minister had a meeting with President Bush on the sidelines of the UNGA in New York on 17 September 2004. The Joint Statement "US-India Partnership: Cooperation & Trust" issued after the meeting laid out the future directions of our relationship and noted that "bilateral relations had never been as close as they were at present". The meeting served to underline its strategic dimension including our commitment to combating WMD proliferation, terrorism and enhancing global security. The leaders noted that the implementation of first phase of the Next Steps in Strategic Partnership (NSSP) marked the beginning of a new era of cooperation and trust. Emphasis was also laid on advancing economic cooperation in multilateral institutions including WTO's Doha Development Agenda, and through bilateral mechanisms including the India-US Economic Dialogue and the High Technology Cooperation Group (HTCG).

High-level engagement at the political level continued through the year. External Affairs Minister's visit to Washington DC in June 2004 and his meetings subsequently with his US counterpart Secretary of State Colin Powell on the sidelines of ARF on 1-2 July 2004 and again in January 2005 in the aftermath of Tsunami, both held in Jakarta, served to establish and consolidate political level contacts between the two countries after the formation of new Government in India. On the US side, then Deputy Secretary of State Richard Armitage, visited New Delhi on 13-14 July 2004; US Defence Secretary Donald Rumsfeld visited India on 8-9 December 2004.

Canada: The Prime Minister of Canada Mr. Paul Martin visited India on 17-18 January 2005. In a Joint Statement the two leaders agreed on the initiatives to strengthen and enhance the architecture of India-Canada partnership and contribute to global challenges more effectively. The two Prime Ministers agreed that India and Canada should enhance their dialogues on international, regional and global strategic issues. Both leaders also recognized a multilateral initiative for regional warning and natural disaster preparedness as a priority. India and Canada continued to actively promote bilateral trade and investment during the year.

Latin American Countries (LAC)

The level of engagement of the Government of India with the Latin American region continued to strengthen and deepen in 2004. The thrust of policy towards the region is to strengthen and widen the existing relationship, setting up a mechanism for political dialogue and cooperation, and enhancing trade and commerce. Framework agreements are established with the regional groupings such as with the MERCOSUR group of countries, Political Dialogue and Cooperation mechanism with the CAN (Andean Community), a standing Joint Commission on consultation, cooperation and coordination with CARICOM and mechanism of political consultations with the Central American Group of countries (SICA).

United Nations and DISA

Prime Minister Dr. Manmohan Singh led the Indian delegation to the 59th session of the UN General Assembly and in his address, reaffirmed India's commitment to multilateralism. Prime Minister emphasized the need to reform the United Nations system including through expansion of the Security Council, in both permanent and non-permanent categories, to make it a truly representative body. India is presently one of the leading troop contributors to the UN peacekeeping operations.

India's commitment to non-discriminatory and universal nuclear disarmament and the global elimination of all Weapons of Mass Destruction (WMD) continued to be reflected in its policy pronouncements and diplomatic initiatives. The country's stand on issues related to disarmament and international security in various multilateral and regional forums was premised on India's national security interests and its tradition of close engagement with the international community to promote cooperative efforts at addressing these challenges.

Bilateral dialogues with key countries continued to be pursued this year and harmonisation of India's national imperatives and security obligations with international concerns on non-proliferation and disarmament also progressed steadily. On the regional level, India's participation in the confidence and security building process and structure under the ASEAN Regional Forum (ARF) and Conference on Interaction and Confidence Building Measures in Asia (CICA) acquired greater momentum. Regular contacts were maintained with key international and non-governmental organisations active in the field of disarmament with a view to disseminating India's perspectives on disarmament issues.

Multilateral Economic Relations

In pursuance of the priority attached to India's 'Look East' policy, the Government continued efforts to forge new links and enhance economic cooperation with countries of South-east and East Asia, a geographically contiguous, rapidly growing and dynamic region with which India shares deep-rooted cultural and civilizational ties. The 1st ever BIMSTEC Summit was held in Bangkok on 30-31 July 2004. The 3rd India-ASEAN Summit was held in Vientiane, Lao PDR on 29-30 November 2004 during which the landmark "India ASEAN Partnership for Peace, Progress and Shared Prosperity" document was signed. The first India-ASEAN Motor Car Rally, starting from Guwahati in India and concluding at Batam island in Indonesia from 23 November-11 December 2004 after travelling through eight ASEAN countries, was a resounding success.

IBSA: India is cooperating closely with Brazil and South Africa, both bilaterally as well as within the framework of the India, Brazil and South Africa (IBSA) initiative. IBSA provides a unique forum for trilateral cooperation among the three countries.

Investment and Trade Promotion

The Ministry attaches top priority to economic diplomacy in view of the need to protect and promote India's economic and commercial interests abroad in this era of globalization and to face the challenges and exploit the opportunities thrown up by the fast integrating world economy. This includes promotion of trade, two-way foreign investments, exports and increased engagement with regional groupings. Greater emphasis is now laid on economic and commercial part of our relations with friendly countries, particularly the developing ones. The Ministry also believes in a close partnership between Government and business and industry in the pursuit of investment and export promotion goals, and general economic cooperation.

Policy Planning & Research

The Ministry maintained close interaction with several academic and non-governmental organizations and provided financial assistance for holding seminars and undertaking research studies on matters of foreign policy interest. External Affairs Minister has also constituted a Foreign Policy Advisory Group and regular meetings were held to understand and evaluate foreign policy options on emerging major external issues of interest to India. Foreign Policy dialogue was held with China in Beijing on 7 November 2004 and Canada in New Delhi on 28 February 2005.

External Publicity

On External Publicity front, the Ministry continued to express India's perspective on various foreign policy issues with emphasis on clear articulation of the foreign policy direction of the UPA Government since its assumption of office in May 2004. India's intensive engagement with major powers, neighbours and traditional friends naturally received high publicity. The Ministry played a major role in keeping the media abreast of all developments on the external front and notably during the hostage crisis in Iraq and on India's Tsunami relief efforts. The work of the media delegations was facilitated during incoming and outgoing VVIP visits. The Ministry also commissioned several documentaries in consonance with India's foreign policy priorities, brought out the monthly magazine "India Perspectives" and other special publications on important issues and events besides maintaining an active website www.meaindia.nic.in

Protocol

The Ministry remained fully engaged with the growing number of incoming and outgoing high-level visits, conferences, credential ceremonies, official entertainment and other multifarious functions. The Ministry's ability to handle a large number of visits of foreign dignitaries also contributed to India's enhanced international image and profile. Streamlining of protocol norms and standards continued to be a matter of priority.

Consular, Passport & Visa Services

The consular, passport and visa services rendered by the Ministry are its public interface in India and abroad. All the 30 passport offices in India are computerized and issued machine printed and machine-readable passports. As part of the decentralization scheme, approximately 400 district passport cells (DPCs) have been opened in 25 States at district level. This has helped in decongestion of passport offices. The innovative 'Tatkal' scheme for out of turn issue of passports at an extra fee has helped to meet the growing demand for issuance of passports in cases of urgency. Tele-enquiry system is available in 22 passport offices and a touch-screen enquiry kiosk has been introduced in Passport Office, Bangalore on pilot basis. All Missions and posts abroad continued to efficiently meet the Consular needs of overseas Indians. Bilateral agreements with several countries were signed in order to provide a legal and institutional framework to combat organized crime, international terrorism and drug trafficking and growing international dimensions of financial crimes.

Coordination

Coordination Division is the nodal point of the Ministry for all work relating to Parliament and for examination of proposals for clearance of foreign tours of Ministers and legislators of the Union and State Government, and Government officials. This Division also handles clearance for holding international conferences and international sports events in India; participation by Indian sports persons in overseas events; as well as diplomatic clearance for all non-scheduled flights. Observance of Anti-Terrorism Day, Sadbhavana Diwas and Quami Ekta Week/Diwas and processing of recommendations for grant of Padma Awards in respect of nominations of foreign citizens were undertaken. Coordination Division also administers the self-financing scheme for admission of foreign students in selected professional courses in India.

Foreign Service Institute (FSI)

The Foreign Service Institute continued its endeavour to train foreign diplomats apart from training IFS Probationers and other Ministry of External Affairs officials. Three Professional Courses for Foreign Diplomats (PCFD) and two Advanced Courses on Asia for Foreign Diplomats (ACAFD) and a Special Course for Palestinian Diplomats (SCPD), were conducted by the Institute during the year. A Special Course for Canadian Diplomats is to be conducted from 21-24 March 2005. The Virtual Campus of FSI, set up in consultation with Indira Gandhi National Open University (IGNOU) to impart Mid-Career Training to serving Indian diplomats, was inaugurated by the External Affairs Minister on 27 July 2004. The Institute also conducted a two-week residential mid-career Module on Foreign Policy, Security, Economic and Regional Issues for serving Indian diplomats who have completed 18-20 years of service. MoU for Cooperation with Foreign Service Institutes of Bulgaria, Venezuela and Afghanistan were signed during the year.

Administration

Ministry made optimum utilization of available resources in order to ensure its efficient functioning, both at Headquarters and in the 162 Indian Missions/Posts abroad. In order to have adequate number of qualified personnel manning the Ministry and also to provide adequate promotional avenues to officers/staff, Cadre Reviews of IFS and IFS 'B' were completed during the year. The 4th Cadre Review of IFS was aimed at having sufficient number of officers, both at senior and junior levels. The first ever Cadre Review of IFS (B) was implemented to streamline the much needed support staff, as well as to provide relief from

stagnation in promotions at various grades. The Ministry also continued with new steps to make the best use of technological resources. As part of a seamless e-governance project, measures like development of a Personnel Information System (PIS), name-based and designation-based e-mail IDs, creation of on-line databases, etc. were carried out.

Consistent with the Government's policy of promotion and propagation of Hindi, the Ministry has been making special efforts to support use of Hindi language. All important documents like bilateral treaties, MoUs, Credentials, Speeches of President and Prime Minister, Annual Report of the Ministry and replies to Parliament Questions were issued bilingually. Most Missions/Posts abroad are now enabled to entertain correspondence in Hindi. 43 students from 18 countries were admitted in the Kendriya Hindi Sansthan, Agra. A Regional Hindi Conference was organized in Romania for propagation of Hindi abroad. A high-level Committee under Minister of State was set up to promote introduction of Hindi as a language in the UN. A Hindi Fortnight was organized in the Ministry in September 2004. Hindi forms an integral part of the Foreign Service Institute's training programmes.

Since its very inception, the Indian Foreign Service has been open to women. The Ministry stays committed to ensuring gender equality in all spheres of its functioning and provides equal opportunities to women officers to take up challenging and prestigious assignments. Women officers are occupying positions of prominence, both at Headquarters and Missions/Posts abroad.

Cultural Relations

The Indian Council for Cultural Relations (ICCR), established in the year 1950, has been functioning as the autonomous cultural wing of the Ministry of External Affairs for furthering the objectives and mandate of India's foreign policy. ICCR's "cultural diplomacy" plays a significant role in strengthening bilateral cultural relations among the nations. ICCR's activities also contribute to creating awareness about India and its rich cultural heritage among the people of other countries. The ICCR fulfils its objectives through activities undertaken by the Indian Cultural Centres and Chairs of Indian Studies abroad, scholarship schemes for overseas students, publications, organizing events of performing/non-performing arts in India and abroad, etc. The Council has nine regional offices in different States of India.

Indian Council for World Affairs (ICWA)

In consonance with the objectives of the Indian Council of World Affairs Act, 2001, ICWA carried on its various activities by organizing special addresses, seminars and meetings on important world affairs. Amongst the dignitaries who delivered special address at Sapru House during the year include H.E. Dr. Cheikh Tidiane Gadio, Minister for Foreign Affairs of the Republic of Senegal; H.E. Mr. Jorge Heine, Ambassador of Chile; H.H. Prince Radu of Hohenzollern-Veringen, Romania; H.E. Mr. Yasakuni Enoki, Ambassador of Japan and H.E. Mr. Heimo Richter, Ambassador of the Federal Republic of Germany. A major International Seminar to commemorate 50 years of 'Panchsheel' was addressed by the External Affairs Minister Shri K. Natwar Singh and attended by several foreign dignitaries. Shri Rao Inderjit Singh, Minister of State for External Affairs, addressed an International Seminar on 'Emerging Trends in Indo-African Relations'. Shri E. Ahamed, Minister of State for External Affairs, addressed the seminar on Security and Political Situation in Iraq. The 3rd Africa Day Lecture was delivered on 2 June 2004 by Foreign Secretary Shri Shashank. A panel discussion on the Report of the UNSG's High Level Panel on Threats, Challenges and Change was held on 30 December 2004 with Shri Shyam Saran, Foreign Secretary, delivering the keynote address.

Research and Information System for Developing Countries (RIS)

RIS is as an autonomous policy think-tank funded by the Ministry. During the year 2004-05, RIS conducted policy research on international economic issues and provided analytical support in preparation for major Summit meetings and other important negotiations. RIS lent its support in preparations for the ASEAN-India Summit, BIMSTEC Ministerial Meeting, NAM Ministerial Meeting, SAARC Ministerial Meeting, UNCTAD XI, the ongoing WTO negotiations, and the bilateral joint study groups on comprehensive economic dialogue with China, South Korea, and various FTA negotiations, among others. It held policy dialogue on the relevance and the way forward for an Asian Economic Community in Tokyo, in collaboration with leading policy think-tanks in Asia, and has networked with policy think-tanks in other countries to bring policy coherence and capacity-building on international economic issues and development cooperation.



and held discussions with Secretary (I&B) to enhance interaction in audio-visual and print media sector.

- Vice Minister Meng Xiaosi who was part of State Councillor Tang Jiaxuan's delegation to India (October 2004) held discussions with Secretary (Culture) to further intensify cultural exchanges.
- A delegation led by Dr. P. Nag, Surveyor General of India from Department of Science & Technology visited China in July 2004 and had meetings with officials of the Ministry of Science & Technology (MOST), Chinese Academy of Science (CAS), National Natural Science Foundation of China (NNSFC) and State Administration of Foreign Experts' Affairs (SAFEA). In the Joint Working Group meeting with Ministry of Science & Technology, 16 projects were agreed to under various programmes covering the period 2004-06.
- The third Joint Working Group between Indian Meteorological Department and China Meteorological Administration met in New Delhi in November 2004 to discuss further cooperation under the MoU between the two organisations and suggested a number of joint programmes and a work plan for 2005-07.
- India-China seminar on Genome Informatics in October-November 2004 in Hang Zhou was organised by Institute of Genomics and Integrative Biology (IGIB) of CSIR and Beijing Genomics Institute (BGI). An MoU for cooperation was signed in August 2004 in Beijing.
- Bilateral technical level air services talks were held from 25-26 January 2005 in Beijing

Hong Kong

The period saw an expansion in the India-Hong Kong bilateral trade. According to HKSAR statistics, Hong Kong – India bilateral trade reached US \$ 5.43 billion in 2004 (an increase of 20.3 per cent over 2003) with Indian exports reaching US \$ 3.53 billion (an increase of 24 per cent) and Hong Kong exports reaching US \$ 1.89 billion (representing an increase of 14 per cent).

A 14-member Parliamentary delegation led by Speaker Shri Somnath Chatterjee visited Hong Kong from 6-7 November 2004 and met prominent members of the Indian community. Minister for Information & Broadcasting Shri Jaipal Reddy visited Hong Kong from

13-14 October 2004 to discuss with the film industry representatives issues relating to prevention of sales of pirated VCDs/DVDs, licencing for duplication of VCDs/DVDs and the legislations enacted by Hong Kong government in this regard. Minister for State for Overseas Indian Affairs Shri Jagdish Tytler visited Hong Kong from 27-28 September 2004 in the context of the Pravasi Bhartiya Divas.

The third round of negotiations on Mutual Legal Assistance in Criminal Matters was held in November 2004 and the two sides initialled a draft agreement. A delegation from the Ministry of Civil Aviation visited Hong Kong from 27-28 January 2005 for bilateral air services consultations. The number of visas issued by Consulate General of Hong Kong during the period January-December 2004 was 23,719, an increase of 153 per cent over corresponding period last year.

Iran

India and Iran enjoy historical ties. The year 2004 saw continued co-operation between India and Iran in the field of energy security, transit routes in the region, cooperation on Afghanistan and its reconstruction and increasing bilateral trade and commercial relations, which imparted a strategic dimension to bilateral relations.

High Level Political Exchanges

After the formation of the new Government in India in May 2004, Iranian President Seyyed Mohammad Khatami talked to Prime Minister over telephone. Foreign Minister Dr. Kharrazi visited New Delhi on 25-26 July 2004. During the visit, he called on Prime Minister, External Affairs Minister and National Security Adviser. Dr. Kharrazi paid a second visit to India in February 2005.

Security and Strategic Consultations

India and Iran have both stressed upon the need for a peaceful, stable and prosperous Afghanistan free from external interference. They have also agreed to join hands in the reconstruction of Afghanistan. India, Iran and Afghanistan have expressed their support to the development of alternative access routes to Afghanistan through the Chahbahar port of Iran via Melak-Zaranj-Delaram road stretch in Afghanistan. India has commenced the road construction project in Afghanistan for which Iran has assured support in the form of visa facilitation, sourcing of raw material from Iran, port and transit facilities etc.

Iranian Foreign Minister Dr Kharrazi and External Affairs

Minister remained in regular touch, including through telephonic discussions, over the evolving situation in Iraq.

During Dr Kharrazi's visit to India in July 2004, the two sides reviewed progress in bilateral cooperation in different areas and situation in Afghanistan and Iraq.

The two sides also held regular security and strategic consultations through the established mechanisms of interaction between their National Security Councils. During his visit to Iran in October 2004, National Security Adviser Late Shri J. N. Dixit held discussions on bilateral issues and situation in Iraq and Afghanistan.

Cooperation in the Hydrocarbons Sector

Energy security is an important area in India-Iran bilateral relations. Following the visit of President Khatami and signing of the MoU on cooperation in the hydrocarbons sector, India and Iran have taken several steps to broaden their cooperation in this field. The two sides have constituted a Joint Working Group (JWG) on cooperation in hydrocarbons sector. As per the discussions held by the JWG, India and Iran agreed to work towards longterm purchase of LNG by India from Iran. It was also agreed that Indian oil companies would participate in oil exploration fields in Iran on competitive basis.

Technical discussions between the two sides on these aspects of cooperation are continuing. Union Minister of Petroleum and Natural Gas Shri Mani Shankar Aiyar visited Iran from 5-6 December 2004. He met Iranian Petroleum Minister Dr. Bijan Zanganeh to discuss further cooperation in this area.

India is committed to ensure a cost-effective, long term and secure mode of transfer of Iranian gas to India. The India-Iran Joint Committee on transfer of Iranian gas to India is entrusted with examining all aspects of this issue. The two sides have set up a technical sub-committee led by GAIL and NIOC from the two sides to commission studies on the offshore and onshore routes.

Maldives

The India-Maldives relations continued to be close and friendly during the year 2004-2005. The warmth of these relations was kept up through regular meetings/exchanges of visits.

The External Affairs Minister met Mr. Fathulla Jameel, Foreign Minister of Maldives on July 2004 at Islamabad on the sidelines of the SAARC Council of Ministers Meetings and in January 2005 in Jakarta on the sidelines

of ASEAN meeting on Tsunami Relief. Foreign Secretary paid a visit to Maldives from 18-19 October 2004. During this visit, Foreign Secretary held detailed discussion on the bilateral relations between the two countries and other areas of regional and international interests. Foreign Secretary also called on President Gayoom of Maldives.

The process of economic and technical co-operation continued on a satisfactory note. An expert team from the National Research Laboratory for Conservation of Cultural Property (NRLCCP), Lucknow, visited Maldives in May 2004 to work on the conservation of Dharumavantha Rasgefaanu Mosque.

Due to public protests, which started on the 12-13 August 2004, the Government of Maldives declared a state of national emergency in Male and its surrounding areas on 13 August 2004. The President of Maldives deputed Mr. Ahmed Abdullah, the then Minister of Health to India as his Special Envoy to brief the Government of India on the developments in the Maldives. Mr. Abdullah met External Affairs Minister on 25 July 2004 and handed over a personal letter from President Gayoom of Maldives addressed to the Prime Minister. The state of national emergency was lifted on 10 October 2004.

In a significant bilateral move, Maldives opened a resident High Commission in New Delhi and appointed Mr. Abdul Sattar Adam as its first resident High Commissioner to India. He presented his credentials to the President of India on 30 November 2004.

Another important bilateral development was in the wake of recent Tsunami disaster. At the request of Maldivian Government, Indian ships, planes and helicopters with relief material, medical teams and specialized personnel were rushed to Maldives on 27 December 2004. Our personnel went ashore and helped to provide essential services, medical relief and assisted in search and rescue operations, transporting relief materials, repairing and restoring generators and communications. Prime Minister informed President Gayoom that Government of India has decided to earmark Rs. 5 crores for assisting in the programme of relief and rehabilitation for Maldives.

Myanmar

India-Myanmar relations are rooted in shared historical, cultural and religious ties. Both countries share a long land border (over 1600 kms) and a maritime boundary in the Bay of Bengal. Four northeastern states viz. Arunachal Pradesh, Nagaland, Manipur and Mizoram border