

India and Afghanistan sign three accords, to boost trade

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The Afghan President also underlined his country's determination to "resolutely go ahead with reconstruction of the country despite incidents of violence".

"Confronting the shared challenges of fundamentalism and terrorism, the two leaders condemned global terrorism as a threat to democracy and declared that there can be no compromise with its perpetrators," said a Joint Statement issued after the talks between Singh and Karzai.

"Terrorism is affecting all countries in the region. It is affecting our brothers in Pakistan. We will find a more effective way to deal with this menace," said Karzai in response to a question on Pakistan's role in fuelling terrorism in Afghanistan and in the region.

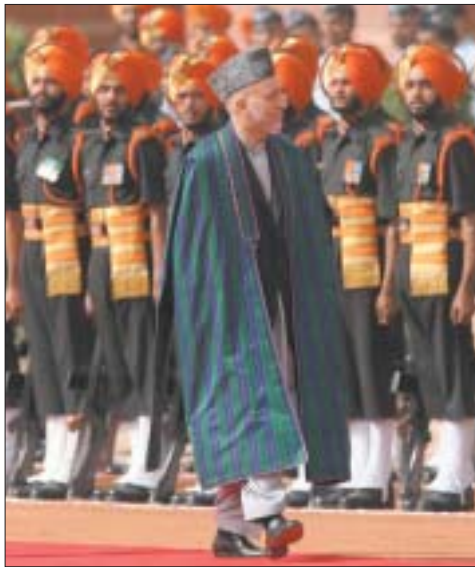
Karzai expressed his gratitude to India for "going out of its way to help us in rebuilding lives in Afghanistan and in strengthening infrastructure and institutions of democracy".

The vision of a stable and prosperous South Asia animated the discussions between Manmohan Singh and Karzai. Singh asked Karzai to use his "good offices" with Pakistan to push for overland transit rights for Indians goods through its territory — a step that will connect South Asia to Central Asia and promote greater prosperity.

"The issue of transit between India, Pakistan and Afghanistan is extremely significant for the three countries," agreed Karzai. "We hope a day will come when goods and people can move freely from India to Afghanistan and Central Asia through the overland route in Pakistan."

Karzai, who was accompanied by a large business delegation, also asked Indian businesses to invest in Afghanistan. "Afghanistan has adopted a free-market philosophy and enacted laws to facilitate business activity while at the same time fully protecting them," Karzai said at a meeting with the captains of Indian industry.

Afghanistan, which has been experiencing high growth in the past four years, is a gateway to Central Asia, and Indian industry should take advantage of the low tax regime there to make it a manufactur-



Afghan President Hamid Karzai inspecting a Guard of Honour during a ceremonial reception at the Rashtrapati Bhavan in New Delhi on 10 April.

ing hub, he said. Afghanistan's economic growth rate was 28 percent in 2002-03, and it achieved 14 percent in the last fiscal. "In 2005-06, a growth of 12 percent to 13 percent would be surpassed," he said.

Karzai also inaugurated the first-ever Festival of Afghanistan in India, which showcased Afghan handicrafts and culture to attract Indian tourists to the picturesque country.

An MoU on cooperation in education was signed between Human Resource Minister Arjun Singh and Afghan Foreign Minister Abdullah Abdullah, on behalf of his country's Ministry of Higher Education. A Joint Working Group will be constituted to implement this accord.

The pact envisages all-encompassing cooperation between the educational institutions of the two countries and includes exchange of research materials, publications, educational literature and teaching aids;

organisation of training programmes for educational administrators and teachers; and exchange of scholars, teachers, academic, experts and students.

It also involves arrangements between institutions of higher learning for research, development of programmes between institutions of technical, vocational and higher education, and mutual assistance in the fields of information technology and computer science.

An MoU on rural development, signed by Rural Development Minister Raghuvansh Prasad Singh and his Afghan counterpart Mohammad Hanif Atmar, will promote technical cooperation in development and maintenance of rural connectivity and rural water supply. It aims at generating employment through the development of rural infrastructure and nurturing sector-specific human resource development.

An MoU on cooperation on standardisation was signed between Svayam Prakash Sharma, director general of the Bureau of Indian Standards (BIS) and Abdul Hai Khurasani, Charge d'Affaires of the Afghan Embassy.

■ India expressed full support to the goal of a sovereign, democratic and prosperous Afghanistan, which is also necessary for peace, security and stability in the region. It expressed admiration for the courageous steps taken by the Afghan people and Government under the leadership of President Hamid Karzai towards the adoption of a democratic polity...

■ President Hamid Karzai thanked India for its... commitment to Afghanistan by providing more than \$600 million for projects in all parts of Afghanistan, in different sectors...

■ ...both sides expressed encouragement at the ongoing process of annual award of 500 scholarships for Afghan students for university education in India and 500 short-term

JOINT STATEMENT HIGHLIGHTS

ITEC Programme for Afghan nationals... They agreed that this initiative had great potential of contributing significantly towards skills development of the Afghan youth...

■ ...both leaders also explored the possibilities of expanding business-to-business cooperation, particularly between the small and medium entrepreneurs of the two countries. Prime Minister Dr. Manmohan Singh offered to consider extending a \$50 million Line of Credit facility to promote trade and investment between the two countries.

■ ...the two sides agreed to constitute a Joint Committee at Ministerial level to review the

progress in the implementation of the Agreement, thereby promoting mutually beneficial bilateral trade.

■ ...India would host the Second Regional Economic Cooperation Conference for Afghanistan in New Delhi, November 18-19, 2006, with participation of all the regional countries, G-8 member States and international organizations...

■ ...the two leaders condemned global terrorism as a threat to democracy and declared that there can be no compromise with its perpetrators...

■ The leaders reaffirmed India and Afghanistan have a common interest in reinvigorating past ties and developing a new, strategic partnership for the 21st Century...