

Prime Minister, Bhutanese king discuss ties, sign pact

India and Bhutan on July 28 expanded their energy and economic ties by signing three agreements in the area of hydroelectricity power and trade. The agreements were signed between the two sides in the presence of Bhutanese monarch Jigme Singye Wangchuk, who arrived in New Delhi on a six-day visit on July 26 — his first to the country this year.

The agreement providing a framework to strengthen cooperation in hydroelectric power will facilitate joint ventures and private participation. Under the pact, India will import a minimum of 5,000 MW of electricity from Bhutan by 2020.

The agreement also allows for Bhutan and India to cooperate in Clean Development Mechanism (CDM) projects under the Kyoto Protocol that could lead to benefits through sale of carbon credits, said a statement issued by the Bhutanese Embassy.

A protocol to the Inter-Governmental Agreement signed on March 5, 1996, on setting up the Tala Hydroelectric Project, was also signed. Under this protocol, the two governments have agreed on the tariff for the sale of power. It also lays down the review mechanisms of the tariff at regular intervals.

The Tala Project, located in western Bhutan, was financed through loans and grants by the Indian government and is expected to boost economic growth of Bhutan while helping to augment electricity supply in India. The project is expected to start generating electricity by sometime this month. The 1,020 MW project is the largest bilateral cooperation project undertaken by India in the field of hydropower in a foreign country.

According to a survey, Bhutan has the potential of producing 30,000 MW of hydropower. India has agreed to purchase surplus power from Bhutan. Another agreement on trade, commerce and transit that provides for continued free trade arrangements between India and Bhutan with simplified procedures was also signed. This agreement will remain valid for 10 years.

“These agreements symbolise the deep commitment of the two coun-



Prime Minister Dr. Manmohan Singh with King of Bhutan Jigme Singye Wangchuk in New Delhi on July 29.

tries to their intimate bonds of cooperation and friendship,” said Crown Prince Trongsa Penlop Dasho Jigme Khesar Namgyel Wangchuck, who accompanied the king.

Prime Minister Manmohan Singh on July 29 met Bhutanese king Jigme Singye Wangchuk and discussed with him an array of bilateral and regional issues, including accelerated cooperation in energy security. The meeting at the stately Hyderabad House in New Delhi was held in a “cordial and friendly atmosphere”, official sources said.

The Himalayan kingdom’s foreign policy is guided by India, which also contributes substantially to its development budget. New Delhi recently provided an assistance package worth \$450 million to Thimpu for its ninth five-year plan ending 2007.

Pakistan Awami National Party chief Asfandiyar Wali Khan meets Prime Minister

Asfandiyar Wali Khan, president of the Pakistan Awami National (ANP) party and grandson of Frontier Gandhi Khan Abdul Gaffar Khan, met Prime Minister Manmohan Singh in New Delhi on July 12. Accompanied by a five-member party delegation, the Pathan leader was in New Delhi an eight-day visit that began on July 10 and aimed at furthering bilateral relations and people-to-people contact.

On his second visit in two years, Khan met the Prime Minister during which the ongoing dialogue process and peace initiatives between the two countries are believed to have figured, official sources said.

Condemning the July 11 serial blasts in Srinagar and Mumbai, Khan said that such incidents were aimed to sabotage the ongoing peace process between India and Pakistan. However, he further said that the Prime Minister assured him that such inci-



Prime Minister Dr. Manmohan Singh with a delegation led by the Pakistan Awami National Party leader Asfandiyar Wali Khan in New Delhi on July 12.

dents would not affect the peace endeavours of the two nations.

“The Prime Minister (Manmohan Singh) was absolutely clear on it. He said in no way would it (bomb blasts) affect the peace process that is taking place. And I also believe that there are people in both the countries who do not want peace. And whenever they feel that the peace process is going ahead, incidents like these take place

to sabotage the peace. So, it depends on us, whether we give the right to that minority to decide our future or do we decide our future ourselves,” Khan said after emerging from his meeting with the Prime Minister.

Laying stress on the peace and reconstruction efforts in Afghanistan, he said: “History suggests that peace in Afghanistan is essential for the progress of India, Pakistan and the rest of South Asia.”

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— Asfandiyar Wali Khan