

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:705

ANSWERED ON:08.07.2009

PRIME MINISTER VISIT TO RUSSIA

Chauhan Shri Sanjay Singh;Kataria Shri Lal Chand;Majhi Shri Pradeep Kumar;Singh Shri Radha Mohan

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) Whether the Prime Minister has visited Russia to attend Shanghai Cooperation Organisation (SCO) and Brazil, Russia, India and China (BRIC) summits recently in Yekaterinburg;

(b) if so, the details thereof alongwith the main issues discussed in the Summits and stand taken by India thereon; and

(c) the names of the leaders of various countries including Pakistan and China whom the Prime Minister met during the said visit along with the issues discussed with each of them and the outcome thereof?

Answer

THE MINISTER OF EXTERNAL AFFAIRS(SHRI S.M. KRISHNA)

(a) Yes. Prime Minister visited Russia to attend Shanghai Cooperation Organization (SCO) and Brazil, Russia, India and China (BRIC) Summits in the city of Yekaterinburg on 16 June 2009.

(b) The SCO Summit focused on regional security, the international financial crisis and sustainable development. India is an observer in the SCO.

At the BRIC Summit, the leaders of the four countries reviewed the current state of global economic and financial crisis and discussed the forthcoming G8 and G20 Summits.

The Prime Minister made statements at the both BRIC and SCO Summits. The statements made by the Prime Minister are enclosed.

(c) During his visit to Russia, the Prime Minister also met bilaterally with Chinese President Hu Jintao, Kazakh President Nursultan Nazarbayev, Pakistan's President, Asif Ali Zardari and Russian President Dmitry Medvedev.

The Prime Minister and Chinese President Hu Jintao discussed progress in bilateral relations and cooperation in newer areas; agreed to seek a fair, reasonable and mutually acceptable settlement of the boundary question; to intensify mutually beneficial economic cooperation; to strengthen defence cooperation and enhance defence exchanges; to work together to offset the impact of the global financial crisis; and to enhance people-to-people and cultural exchanges. It was decided at the meeting between Prime Minister and the Chinese President that India and China would continue close consultation and coordination on global issues.

The Prime Minister and the President of Pakistan, Asif Ali Zardari, reviewed India - Pakistan relations. Prime Minister conveyed that the Government of Pakistan must take strong and effective action to prevent the use of Pakistan's territory for terrorist attacks against India, act against the perpetrators of past attacks and dismantle the infrastructure of terrorism in Pakistan. It was decided that the Foreign Secretaries of the two countries would meet to consider what Pakistan is doing and can do to prevent terrorism from Pakistan against India and to bring those responsible for these attacks to justice including the horrendous crime of attacks in Mumbai. The Foreign Secretaries of India and Pakistan were asked to report to the Prime Minister and the Pakistani President.

Prime Minister exchanged views with President Medvedev on a wide range of issues in our close strategic partnership with Russia.

Prime Minister and the Kazakh President expressed satisfaction at the rapid expansion of proposals for bilateral cooperation in diverse fields including energy, petrochemicals and pharmaceuticals.

STATEMENT REFERRED TO IN REPLY TO PART (B) OF LOK SABHA UNSTARRED QUESTION NO. 705 REGARDING 'PRIME MINISTER VISIT TO RUSSIA' FOR ANSWER ON 08.07.2009

PM's opening remarks at the Shanghai Cooperation Organisation Summit

June 16, 2009 Yekaterinburg, Russia

I am delighted to be here today at the Summit meeting of the Shanghai Cooperation Organisation. I bring to you the greetings of the government and people of India.

I have had the honour of visiting the great country of Russia on several occasions in the past. On each occasion I have been overwhelmed by the warmth and hospitality that has been extended to me. This is however a special occasion. It is my first visit overseas after our Government was re-elected to office following the recent general elections in India.

The Shanghai Cooperation Organisation represents a vast land mass rich in cultural diversity, creativity and resources. India has the privilege of having excellent bilateral relations with each of the Members of the Organisation. Our relations with them go back in time. They rest on solid civilisational, cultural and economic linkages that have flourished over centuries.

As an Observer State, we have been following the evolution of the Shanghai Cooperation Organisation with keen interest. We wish to see peace, prosperity and stability in the region that the Organisation represents. We have many complementarities and have a lot to gain and learn from each other. It is in this spirit that we approach our engagement with the Organisation and its different organs and bodies.

The growth of the Indian economy at an average rate of 8 percent over the last five years has enabled us to generate higher investible resources to cater to the needs of our rural economy, the social sector and infrastructure. It has also opened up opportunities to intensify our interaction with the outside world in the areas of trade and investment, science and technology, and in the revival of the global economy.

We seek an external environment that is conducive to meeting the aspirations of our people. Against this background, the Russian Presidency's initiative to focus on the themes of regional security and sustainable development is most appropriate.

The threats we face to our security are global in nature, and require a global response. The prevalence of poverty and under-development in large parts of the world continues to threaten global stability. We believe that with the resources available with us, the SCO and India can mutually reinforce each other's efforts towards the economic emancipation of our region. We would be happy to share with our friends in the SCO the experiences we have gained over the years in various sectors of nation-building.

There is a lot to be gained through strengthening connectivity between the SCO and India. We would like to cooperate in finding innovative means to strengthen people-to-people contacts, exchanges of businesspersons and scholars, and trade, investment and technology flows. We would welcome closer cooperation in the fields of energy and food security, and infrastructure development.

The spectre of terrorism, extremist ideologies and illicit drug trafficking haunts our region. Terrorist crimes committed today are transnational in nature. No country is immune from them. It is imperative that we genuinely cooperate with one another and on a global scale to resolutely defeat international terrorism.

The issue of stability in Afghanistan is one that is engaging all of us keenly. I wish to congratulate the Russian Presidency of the SCO for organizing a successful conference on Afghanistan in March this year. India is committed to contributing to international efforts for the economic reconstruction of Afghanistan, and promoting stability in that country.

The economic gains that we have made in the past are today threatened by the global financial and economic crisis. We should convert this crisis into an opportunity for much greater economic cooperation between the Members of the SCO and India. Between us we have a vast market, a large industrial base, a talented human resource base and above all, the political will. We should also work together to reform the institutions of global governance, including financial institutions, to bring them in tune with present and emerging economic realities.

We can no longer delay giving concrete shape to the concept of sustainable development. The developing world needs access to financial resources and environment friendly technologies, especially in energy, transportation, manufacturing and agriculture. We need technology innovations for reduction of energy use by industry and other sectors. We need massive action for afforestation, drought proofing and flood protection. We need action to protect the glaciers that feed our river systems.

In conclusion, let me say that as a close neighbour, we wish the Shanghai Cooperation Organisation all success in its multi-faceted activities.

I also wish to convey our deep appreciation to His Excellency President Medvedev for conducting this meeting in an exemplary manner and for the excellent arrangements made by the Government of the Russian Federation for the Summit.

STATEMENT REFERRED TO IN REPLY TO PART (B) OF LOK SABHA UNSTARRED QUESTION NO. 705 REGARDING 'PRIME MINISTER VISIT TO RUSSIA' FOR ANSWER ON 08.07.2009

PM's opening remarks at the Plenary Session of the BRIC Summit

June 16, 2009 Yekaterinburg, Russia

I wish to take this opportunity to once again thank His Excellency President Medvedev for hosting the first BRIC Summit.

We have just concluded useful discussions in the restricted format on some of the major issues before us.

When we review the global financial and economic situation, it is worth recalling that when we met at the Second G-20 Leaders' Summit in April this year we realised that the global downturn was much more severe than what we had anticipated in Washington D.C. in November last year.

In London we were successful in agreeing on several short term measures to infuse greater liquidity, make good the decline that has

taken place in capital flows to developing countries by providing adequate resources to the international financial institutions, and agreeing on a broad direction for improvement in the regulatory and supervisory structure for the world's financial system. We also agreed on the need to develop an effective early warning system which can identify the build up of risks which may threaten global financial stability.

There was a unanimous view that protectionism or restrictions on the free flow of trade and persons are counterproductive, and pose a particular threat to recovery in the developing world. The stark collapse in world trade has heightened the importance of an early completion of the Doha Round of talks keeping in mind its development dimension.

We also recognised the continuing need to redefining the role of institutions of global economic and financial governance to deal with the problems of today and to reflect contemporary realities. The broadening of representation in the Financial Stability Forum and the Basle Committee on Banking Supervision, the two key standard setting bodies, has been a useful development in this context.

We were able to identify areas for further improvement in the functioning of multilateral institutions. In the case of the IMF, these related to its surveillance function, its lending role, augmentation of the IMF's resources and governance reforms. In the case of the World Bank, three specific points of action were identified -

- (i) a substantial increase in lending,
- (ii) a review of the Bank's lending capacity and capital adequacy and
- (iii) enabling large developing countries to access required levels of finance through increased lending limits so that they can support recovery in their regions.

The important issue today is to implement the decisions that we have taken. Finance Ministers and Central Bank representatives of BRIC countries have met and identified the areas where our efforts should be focused. Our countries should also keep in contact with each other in the run up to the next G-20 Leaders Summit in Pittsburgh.

Our cooperation in the G-20 process must be backed up by cooperation in the real economy. The volume of trade among BRIC countries has grown rapidly in recent years. Intra-BRIC investments have also grown. We should consider the establishment of a BRIC Joint Business Forum which can identify areas for cooperation such as science and technology, energy, agriculture, aviation, pharmaceuticals and services.

In India, we have launched a number of fiscal stimulus packages including additional public spending, amounting to over 3% of our GDP. Our monetary policy initiatives have been targeted towards maintaining a comfortable liquidity position and ensuring that credit delivery remains on track. Our banking system remains well regulated, capitalized and profitable.

The Joint Statement and the Statement on Global Food Security that we will be adopting later today provide a road-map for our future work.

I wish to congratulate His Excellency President Medvedev for his guidance and leadership during this Summit, and for the successful outcomes that we have reached today.

Thank you.