

INTERVIEW | SUN WEIDONG

'Regional disputes should be resolved through dialogue and consultation'

The Chinese Ambassador to India on the Wuhan Summit, the boundary question and trade deficit



SUHASINI HAIDAR

China-India relations assume "global and strategic significance" beyond just the bilateral dimension, says Chinese Ambassador to India Sun Weidong. In an interview, which includes written responses, conducted ahead of Chinese President Xi Jinping's 'informal summit' with Prime Minister Narendra Modi in Mamallapuram in Tamil Nadu this week, Mr. Sun speaks of the outcomes of the Wuhan Summit and the boundary issue, but declines to answer questions on China's statement on Jammu and Kashmir and its ties with Pakistan. Edited excerpts:

What were the outcomes of the Wuhan Summit between Prime Minister Modi and President Xi last year, and how will the summit in Mamallapuram build on them?
■ The positive effect of the Wuhan Summit is constantly unfolding. The mutual trust and friendship between the two leaders is being extended to all sectors, localities and peoples of the two countries. First, maintain close high-level exchanges. President Xi Jinping and Prime Minister Narendra Modi have met five times on multilateral occasions and reaffirmed their judgment that China and India are each other's development opportunities rather than threats. Government departments, political parties, legislatures and the military of the two countries have actively engaged in high-level exchanges. Second, make progress in aligning development strategies. In September this year, the two sides held the 6th Strategic Economic Dialogue and the 9th Financial Dialogue, and reached new consensus on cooperation in policy coordination, infrastructure, energy conservation and environmental protection, high technology, energy and medicine. Third, step up coordination in global governance. China and India are both members of multi-



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lateral mechanisms such as the China-Russia-India Trilateral, BRICS, SCO and G20, and share common interests in promoting globalisation and opposing trade protectionism. On major international issues, China and India have shared interests and similar positions.

As the only two major developing countries with a population of over one billion and important representatives of emerging economies, China-India relations transcend the bilateral dimension and assume global and strategic significance.

Has there been any progress on the boundary question since the Wuhan Summit, and do you expect the upcoming summit to make any move towards completing the "second phase" of a "framework settlement"?
■ The China-India boundary question is a complex and sensitive issue. Since the establishment of the Special Representatives meeting on the boundary question in 2003, the two sides have held 21 rounds of meetings, which have played an important role in promoting the settlement of the boundary question and maintaining peace and tranquility in the border areas. Before the final settlement of the boundary question, we need to jointly maintain peace and tranquility in the border areas.

I want to point out that it is normal for neighbours to have differences. The key is to properly handle differences and find a solution through dialogue and consultation. Over the past decades, not a single bullet has been fired at the China-India border

area and peace and tranquility has been maintained. The boundary question is only a part of China-India relations. We [should] not let the boundary dispute affect the normal development of bilateral relations.

India continues to oppose the Belt and Road Initiative. Are there other ways in which China and India can cooperate on multilateral issues?

■ The world economy is at a crossroads, and the rise of protectionism and unilateralism is seriously affecting global stability. The uncertainty of the international situation poses common challenges to both China and India. Strengthening solidarity and cooperation between us is an opportunity for our respective development and the world at large.

China and India should strengthen communication and coordination on international and regional affairs. We jointly advocated the Five Principles of Peaceful Coexistence, which have become the basic norms of international relations. We should stick to these principles. At the international level, we should firmly uphold the international system with the UN at its core and make the international order more just and equitable. We need to steadily advance reform of the World Trade Organization, promote South-South cooperation, and adhere to the core values and principles of the WTO, promote trade and investment liberalisation and facilitation, and build an open world economy that is conducive to the further development of developing countries and emerging markets. At the

regional level, we should resolve disputes peacefully through dialogues and consultations and jointly uphold regional peace and stability. We will continue to carry out 'China-India plus' cooperation, promote free trade, infrastructure development and regional cooperation initiatives like the BCIM cooperation, harmonise policies and development strategies of all countries, strengthen cooperation in the fields of energy conservation, poverty alleviation, environmental protection and climate change, and achieve common prosperity.

What steps have been taken to address the issue of the \$60 billion India-China bilateral trade deficit in China's favour, and do you think that India will join the Regional Comprehensive Economic Partnership (RCEP) Agreement?

■ China and India should uphold free trade and jointly speak out against trade protectionism and unilateralism. They should work together to promote regional economic integration and speed up negotiations on the RCEP Agreement.

China has never pursued a trade surplus, and the trade imbalance between China and India is largely the result of differences in their industrial structures. China has taken active measures to increase imports from India, including lowering tariffs on some Indian imports to China, sending purchasing delegations to India, and assisting in the export of Indian agricultural products and pharmaceuticals to China. Over the past five years, China's imports from India have increased by 15%. In the first half of this year, India's trade deficit with China fell by 13.5% year-on-year, and its agricultural export to China doubled over the same period last year. The box office of Indian films is twice as much in China as in India. These figures have shown China's efforts and sincerity in addressing the trade imbalance. China welcomes more exports of marketable and competitive Indian products to the Chinese market.

The full interview is available on www.thehindu.com

A life in the balance

India has other options to seek enforcement of the ICJ's verdict in the Kulbhushan Jadhav case



SATVIK VARMA

In July, the International Court of Justice (ICJ) had unanimously held Pakistan's actions in the Kulbhushan Jadhav case to be violative of its obligations under the Vienna Convention. Islamabad was directed to immediately cease its "wrongful acts" of a "continuing character". While India's plea for Mr. Jadhav's release was rejected, the ICJ noted, as imperative, its direction to Pakistan to review and reconsider the conviction and sentence of Mr. Jadhav. It went to the extent of saying that this directive was to be followed even if Pakistan was required to enact appropriate legislation in this behalf. The ICJ noted that the obligation to provide effective review and reconsideration is "an obligation of result" which "must be performed unconditionally". The ICJ directed Pakistan to inform Mr. Jadhav forthwith about his rights and to arrange for his legal representation, and provide India consular access.

Recourse to the UNSC

Indian diplomatic officials were granted consular access to Mr. Jadhav six weeks after the verdict. Post this two-hour interaction, the External Affairs Ministry stated that "Jadhav appeared to be under extreme pressure to parrot a false narrative to bolster Pakistan's untenable claims", most likely relating to Mr. Jadhav's purported confessional statement. Since this first round of consular access, India's repeated requests for a follow-on session have been snubbed, perhaps owing to the breakdown in bilateral ties between India and Pakistan over India's decision on Jammu and Kashmir. While a diplomatic and negotiated resolution is preferable, it doesn't seem imminent especially after the brinkmanship displayed by the Pakistani Prime Minister at the UN General Assembly. Fortunately, India has other options to seek enforcement of the ICJ verdict.

Notably, judgments of the ICJ are final and without appeal. The ICJ has the exclusive authority over any dispute relating to the meaning and scope of its judgments. The UN Charter mandates that each member state of the UN should comply with the ICJ's decisions. So, if Pakistan fails to perform the obligations incumbent upon it under the July judgment, then India has recourse to the UN Security Council (UNSC) under the Charter. At such initiation, if the UNSC deems it necessary, it can make recommendations or

decide the measures to be undertaken to give effect to the judgment. A debate may ensue before the UNSC, and the defaulting state may also seek to advance arguments questioning the validity of the ICJ verdict.

The Nicaragua example

This process was tested many years ago in 'Military and Paramilitary Activities in and against Nicaragua'. At the time, Nicaragua had a judgment in its favour. It called upon the U.S. to comply with the judgment, and upon its failure, approached the UNSC. Accordingly, a draft resolution was adopted and, as a permanent member, the U.S. expectedly voted against it. Nicaragua then approached the General Assembly even though, unlike the UNSC, the General Assembly is not specifically vested with the power to deal with non-compliance and non-enforcement of the ICJ's decisions. Notwithstanding, the General Assembly allowed voting to be carried out on "decisions to remind members of their obligations under the Charter". And while the decision of the General Assembly was non-binding, it was put to the floor where it received 94 votes to three, with 47 abstentions. The objective was to emphasise on members not to defeat the purpose of the Charter and its obligations.

And while neither the UNSC nor the General Assembly will ever interfere with the judicial authority of the ICJ, the UNSC may "make recommendations or decide upon measures to be taken to give effect to the judgment". The Charter also provides for other measures in the nature of economic sanctions or severance of diplomatic relations, but those are unlikely to follow now owing to China, a permanent member of the UNSC, openly supporting Pakistan. In fact, post the revocation of Article 370, when Pakistan raised the Kashmir issue before the UNSC, it received China's support.

But interestingly on the Jadhav case, even the Chinese appointee to the ICJ, who is also the Court's Vice-President, voted in India's favour. This poses a remarkable situation because what lies here is more than just diplomatic alliances. It concerns the supremacy and judicial sanctity of the ICJ and consequently the rule of law. Resultantly, on the facts of the Jadhav case and the unanimous nature of the ICJ verdict, Pakistan will find it tough to sustain any defence before the UNSC should India go that way. Time is clearly of essence with Mr. Jadhav's life in the balance; India needs to act swiftly. This may be time to also remind ourselves and the international community that "the law isn't what's written; it's what's enforced."

Satvik Varma is a litigation counsel and corporate attorney based in New Delhi

Towards a strategic partnership

The exchanges between India and Mexico this week represent an opportunity to strengthen bilateral ties

FEDERICO SALAS

Mexico and India have had 69 years of diplomatic relations based on mutual interest and understanding. In 2007, a Privileged Partnership was established between both countries and we are now working towards a Strategic Partnership. A new government began in Mexico last December and Prime Minister Narendra Modi was reappointed to a new term in May, setting the stage for a broader and deeper collaboration upon our shared democratic values.

Two nations, one goal

As two ancient rivers that merge into one throughout time, Mexico and India have a common goal: social development and inclusion. To accomplish this, we are determined to promote trade and investment in priority sectors; improve market access, including for agricultural products; promote tourism; and foster cooperation in many areas, such as energy, science and technology. Our collaboration is also important to strengthen multilateralism and the rules-based international system, and to foster cooperation within mechanisms such as the G20.



This week we will hold senior official consultations. Mexico's Vice Minister of Foreign Affairs, Ambassador Julián Ventura, is in New Delhi heading a delegation that includes representatives of the private sector and academia. In this context, we will hold a dialogue with Indian partners on innovation and social development to set ambitious goals for the coming years.

As a result of our mutual economic strengths, and considering the regional and global importance of Mexico and India, we have achieved rapidly expanding trade and investment links between our two countries. Mexico has become India's top trading partner in Latin America and it is the top investor from the region in India, while India is now for the first time among Mexico's top 10 commercial partners. Our

bilateral trade reached more than \$10 billion in 2018, four times what it was in 2009.

Tourism is also a growing sector that brings our two peoples together; we share the pride of being the heirs of ancient and rich civilisations, and our cultural partnerships give our ties depth and vision. In 2018, Mexico attracted 41 million international tourists, 6% more than the previous year. According to the WTO, Mexico is the sixth most-visited country in the world, and it is proud home to 35 UNESCO World Heritage Sites, a figure comparable to India's.

But what is most relevant is that, in 2018, Indians have been among the top 20 visitors to Mexico, and Indian tourism to Mexico is exceeding that of many European countries. Opportunities for Indian tourists visiting Mexico are endless, as they comprise adventure tourism, ancient archaeological sites, magical colonial towns, unforgettable gastronomy and much more. This has also been made possible by the wide variety of flights and airlines connecting both countries. More connectivity to facilitate leisure travel also enhances trade and business cooperation between our two countries.

Shaping the global agenda

The exchanges Mexico and India are undertaking this week represent an opportunity to strengthen this bilateral relationship, a time to continue the conversation about our common future, and a space to find local answers to global issues. Together we can quite literally reach out to the stars in the field of space cooperation. Together we can bring a social perspective to the world of technology and innovation. Together, finally, we can advance to shape the global agenda so that it benefits our communities, their future and well-being. No small challenge, but one that can be achieved with the firm solidarity between India and Mexico.

Federico Salas is Ambassador of Mexico to India



Aarey: thousands of trees felled to construct metro rail shed.

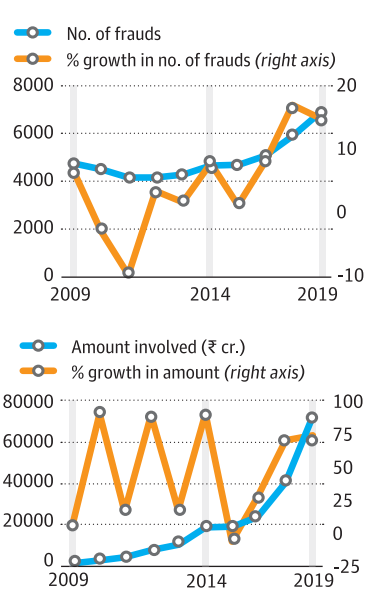
DATA POINT

Bypassing the system

A look at the data on banking frauds detected indicates that the number has exponentially risen in the past decade. Loan frauds constituted the highest percentage of frauds in FY 2019. By Varun B. Krishnan

More frauds under lens

While the number of bank frauds detected rose by 45% in FY '19 compared to FY '09, the amount of money involved spiked 35 times in the same period. The average quantum of a fraud has increased over the past decade, from ₹0.4 crore in FY '09 to ₹10 crore in FY '19

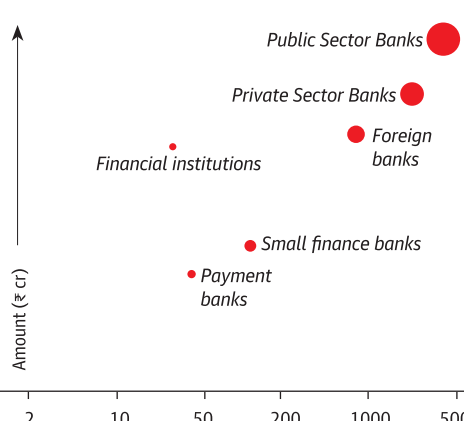
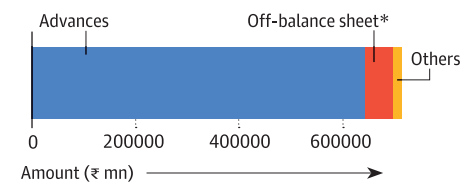
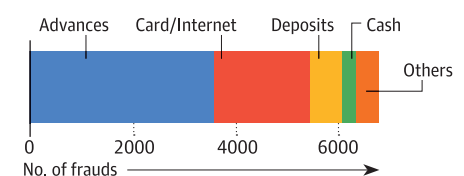


Loan quandary

Loans (advances) constituted the highest number and quantum of frauds in FY '19 among all categories of fraud. While card/Internet frauds constituted 27% of the total number of frauds, they accounted for just 0.3% of the total amount, indicating a lower amount involved per fraud in these cases

PSBs in a pickle

Public Sector Banks accounted for the highest number of frauds and quantum (90.2%). In the chart on the right, each circle represents a type of banking institution, while the size indicates average amount per fraudulent transaction in FY '19



*Off-balance sheet transactions are those which are not recorded on balance sheets | Source: RBI

The Hindu

FROM THE ARCHIVES

FIFTY YEARS AGO OCTOBER 9, 1969

Distinct change in Pak. attitude

Mr. Dinesh Singh, External Affairs Minister, said here [New Delhi] to-day [October 8] that he noted a "distinct change" in Pakistan's attitude during talks with his Pakistani counterpart at the United Nations. Mr. Singh who returned to New Delhi to-day after leading the Indian delegation to the United Nations General Assembly session said that Pakistan had now come round to the idea that the problems between the two countries should be discussed on a bilateral basis. Asked if his talks with Pakistan Information Minister, Nawabzada Sher Ali Khan, leader of the Pakistan delegation to the United Nations, would lead to a dialogue with that country Mr. Singh said he could not say how things would develop in the future. "Our attempt was to see that our differences are discussed bilaterally and peacefully and not necessarily before the international community." India, he said, felt that the problems between the two countries could best be discussed bilaterally and "Pakistan has come round to our idea." He told a questioner that this did not mean Pakistan had agreed to drop raising the Kashmir issue.

A HUNDRED YEARS AGO OCTOBER 9, 1919.

The City, the Hope of Democracy.

Under the auspices of the Y.M.C.A., Rao Bahadur T. Rangachariar delivered an interesting lecture last evening in the Auditorium on "The City, the Hope of Democracy." Mr. A.J. Leech presided. The learned lecturer said that his experience of the interest evinced by Europeans and Indians in the welfare of the city of Madras had been most disappointing. Only recently the new City Municipal Act was passed and the public took very little interest in the Bill when it was considered in the local Legislative Council. The only matter on which people showed some enthusiasm was with reference to the question of property taxation. Under the new Act the Madras Corporation would be getting enormous powers and the scope for the improvement of the city would become very great. The city had not grown in importance and wealth owing to want of settled and growing policy of the Corporation. People had been allowing things to take care of themselves. All of them had to take stock of the new spirit of the times, the spirit of Democracy. Two sections of the new Act 23 and 24 placed much power in the hands of the Corporation.