

**Inaugural Address by Shri Pranab
Mukherjee, Honorable Minister
of External Affairs, at the Third
Conference of Latin American Studies Council
of Asia and Oceania [CELAO]**

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New Delhi, 3 December, 2008"Recent Developments in the Latin American and Caribbean region, with special reference to India" Prof. B. B. Bhattacharya, Vice Chancellor of the Jawaharlal Nehru University, Prof. O.P. Mishra, Acting Vice Chancellor of the Indira Gandhi National Open University, Prof. Won-Ho Kim, President of CELAO, Ambassadors and Diplomatic Representatives, Distinguished Professors and Scholars from all countries, Ladies and Gentlemen! At the outset, I would like to congratulate the Jawaharlal University and Indira Gandhi Open University, New Delhi for taking the initiative to organize the Third International Conference of the Latin American Studies Council of Asia and Oceania in New Delhi. We are meeting in the backdrop of the dastardly terror attacks in Mumbai on November 26, which led to a loss of about 200 lives and 300 injured, including 26 foreigners dead and 22 injured, and which were intended to create a sense of panic. The attacks are perhaps the most vicious in the history of independent India. Public opinion in India is demanding concrete action. We are determined to take the strongest possible measures to ensure that there is no repetition of such acts. In this context, we expect Pakistan to honour its solemn commitments not to permit the use of its territory for terrorism against India. We hope that the Government of Pakistan will take immediate action. While Pakistan has said that it wants a leap forward in our bilateral relations, outrages such as the attack on Mumbai are intended to make this impossible. We call on the international community to act unitedly with us to root out international terrorism, by tackling and countering this menace at its very source and genesis. Any ambiguity in our approach or weakening of our resolve will only send out a signal to terrorists that we are not serious about taking our fight with them to the logical end. In

this context, we are grateful for the enormous outpouring of support and solidarity from the international community, including from countries of the Latin American region. Ladies and Gentlemen, Momentous changes are taking place in the Latin American and Caribbean region. The strong emphasis on people's participation in political governance mechanisms in Latin America and major business alliances being forged by these countries with global markets, are symbolic of the significant transformation which is gradually sweeping across this region. Increasingly, political leaders, foreign policy analysts, the business community and members of civil society will need to factor these developments into their analyses. It is very heartening therefore, that the wide galaxy of intellectuals and thinkers assembled here from all over the world, will focus on important themes such as integration in LAC countries, governance, business prospects, security and other related issues in their conference deliberations. 2. The LAC region is destined to play a very important role in the global economy. As we see it, the LAC region comprises 39 countries including dependent territories in the Caribbean, and accounts for a combined GDP of US\$ 3.44 trillion and a trade turnover of US\$ 1.65 trillion and a population of 562 million people. It also includes five of the world's most bio-diverse countries - Brazil, Colombia, Ecuador, Mexico, and Peru – as well as the single most biologically diverse area in the world – the eastern slope of the Andes. Latin America is home to 40% of all the species found in tropical forests throughout the world. 40% of the plant life found in the Caribbean does not exist in any other part of the world. Apart from providing a social safety net for the Latin American population, this biodiversity has an important economic value. It is not surprising that the equatorial rain forests of the Amazon and in countries like Suriname and Guyana, which contribute significantly in maintaining ecological balance and in combating climate change, are often called “the lungs of the world”. Latin America and the Caribbean countries are endowed with immense supplies of natural resources such as fresh water and arable land. The local population relies on such water resources not only for drinking water but also values them because of their utility in facilitating transportation, energy, food production, industry and recreation. Owing to its vast variety of rivers, various species of fish also flourish in the region. The Amazon basin alone is estimated to contain between 3000 and 9000 species. Given the burgeoning populations and dwindling land resources of developing countries in other parts of the world, there is

excellent potential for collaborating with agriculturists in these countries for diversifying agricultural production and procurement operations. Similarly, some of the richest mineral centres in the world are located in the LAC region. These countries are significant suppliers of copper, nickel, iron ore, hydrocarbons, bauxite and other important minerals which not only feed industries in developed countries but also in the developing world. Besides minerals, the LAC region also supplies large quantities of gems and semi-precious stones to world markets. Located in the heart of such a unique habitat, it is only natural that these countries should be strenuously working for preserving the pristine beauty of the Amazon region and other such surroundings in the region. In this regard, as in the case of conserving fossil fuels through pioneering research and development of alternative energy resources like bio fuels and in addressing the essential needs of the poor through social programmes such as the Bolsa Familia in Brazil, these countries have set examples for others to follow. 3. Sustained by their rich and diverse cultural heritage, which goes back to the days of the Olmec, Maya, Aztec and Inca civilizations, Latin American and Caribbean citizens now seek greater self-expression and participation in their governance processes. The resurgence of democracy in this part of the world has many positive implications, not only for the LAC countries, but also for the rest of the world. First, within the LAC region itself, it enables governments to tap into better, wider and more versatile talent. Secondly, being structured on the basis of well-established institutions and norms, LAC governments are now more accountable to their constituents. Their commitment is to the long-term welfare and prosperity of their citizens. Thirdly, it also ensures that the rights of all sections of society are suitably addressed. Fourthly, in the long-term, these democratic processes and institutions herald peace, stability and sound economic policies in these countries. Finally, owing to people's participation in governance mechanisms, all these countries now strive to achieve balanced and inclusive growth, while also collaborating with other developing countries. In doing so, they are better geared for implementing South-South cooperation initiatives. 4. At the international level, the environment of stability and security promoted because of democratic institutions has a positive effect on the cause of international peace and understanding. 5. The processes of regional integration in Latin America are another feature of great interest to us. In recent years, regional groupings such as the Andean Community, UNASUR, MERCOSUR, CARICOM are increasingly

beginning to discuss and coordinate positions on important political and economic matters of mutual concern in international organizations. Of these groupings, the CARICOM countries have already established a common court of justice. The Central American countries, under SICA are also taking active steps to synchronize their developmental efforts. This was clear during my discussions with SICA Foreign Ministers in New Delhi in June 2008. Similarly, the ANDEAN Pact and MERCOSUR countries are also taking various steps for regional cooperation. Their efforts are, we understand, now increasingly being subsumed within the larger UNASUR grouping which was set up in 2004 and is supported by 12 LAC countries. At the Third UNASUR Summit held in Brasilia on 23 May, 2008, all participating Heads of Government signed the UNASUR Constitutive Treaty which stipulates establishment of a South American Community, modelled on the European Union and seeks to provide for a common currency, single market, parliament, free movement of people for 90 days, common passport and integrated development of infrastructure and energy. This is an initiative of much significance. 6. LAC countries are now also looking at regional governance and security issues. The recently-mooted proposal for creating the South American Defence Council [CSD] under UNASUR, if implemented, could have lasting impact on regional security issues. At the UNASUR Summit held in Santiago in September 2008, the Summit Declaration made bold pronouncements on the need to uphold constitutional processes in Bolivia. Likewise, the Rio Group Summit held in Santo Domingo in March 2008 brokered peace and understanding among Ecuador, Venezuela, Nicaragua and Colombia. All such ongoing efforts indicate that LAC countries are now acutely sensitive to the need to unify their position on important issues of common concern. It is good that these discussions also focus on issues such as drug-trafficking and drug-related crimes and terrorism, as these could have a significant bearing on the economic security and prosperity of this region. I am glad to know that this learned assembly will also be examining these aspects during its deliberations in the session pertaining to LAC Security issues. 7. The rich cultural background of these countries provides a sound foundation for the diverse talent blossoming in LAC universities and academic centres today. The handsome haul of Nobel Prizes by intellectuals, scientists and academics of this region bears testimony to the significant contribution being made by these countries to the progress,

peace and well-being of humanity. We have all been influenced by the legendary contribution of stalwarts like Octavio Paz, Gabriela Mistral, Pablo Neruda [for literature], Cesar Milstein and Bernardo A. Houssay [for physiology and medicine], Luis F. Leloir [for Chemistry] and Rigoberta Menchu, Alfonso Garcia Robles, Adolfo Perez Esquivel and Carlos de Saavedra Lamas [for international peace]. Equally important are the achievements of Maradona, Pele, Kaka in the world of football and of Anthony Nesty and Cesar Filho in the field of swimming. It is not surprising that in the recent Beijing Olympics, sportsmen from these countries walked away with as many as 16 gold, 24 silver and 28 bronze medals. Blessed with a particularly warm and festive spirit, the people of Latin America have made good friends in all parts of the world. Indeed it would be good if we could emulate their example and learn to play good football and dance a few steps of the Samba to ward off these stressful times! 8. In short, the time has come for the world and Latin America to re-discover each other. India has already embarked on this journey. Our bilateral dialogue with these countries is progressing very well. Being endowed with diverse resources and lesser populations, the countries of the region are relatively more prosperous. However, the basic model of development, founded on inclusive growth, is the same. Based on these complementarities, India has initiated cooperation with these countries in fields as diverse as agriculture, S&T, hydrocarbons, mining, defence, space, ICT and infrastructure. Cooperation with these countries is being pursued through bilateral agreements and MoUs and through interaction between experts from both sides. With better air and maritime connectivity in future years, linkages between centres of excellence and academic institutions will also strengthen thus leading to a varied and multi-sectoral dialogue between the citizens of both sides. In the light of these developments, India has, to start with, already established a Strategic Partnership with Brazil and a Privileged Partnership with Mexico. A special dimension of our cooperation with this region pertains to the IBSA Trilateral Cooperation, which brings together three very large developing country democracies from three different continents, including Brazil from Latin America, which are determined to work together to mutual benefit and reinforce South-South cooperation. 9. Our economic and commercial linkages with this region are also being strengthened. In this new era of economic interdependence and globalization, Indian multinationals from the ICT, auto industry,

infrastructure, iron & steel, banking, pharma, mining and other industries are fast investing in these markets and setting up active business operations in these countries. Our bilateral trade during April 2007-March 2008 was to the tune of US\$ 11.63 billion [imports- 6.5 billion and exports- US\$ 5.13 billion]. Indian companies, excluding those owned by Non-Resident or Overseas Indians, have either already invested or committed to invest US \$ 9.73 billion in LAC countries. Given the economic strengths of these countries, there are excellent opportunities for enhancing this relationship. The process has already begun. Indian Business Conclaves are being held in Latin America by apex Indian chambers of commerce and industry. Trade missions are also being organized and increased participation in trade events is being encouraged. Government of India's FOCUS LAC programme, which commenced in 1998, has been extended. Trade and investment missions from these countries are also being organized. The trade agreements signed with the MERCOSUR group of countries and individually with Chile will promote such initiatives. Bilateral Investment Promotion and Protection Agreements and Avoidance of Double Taxation Agreements have been signed with some countries and are being processed with others. 10. At the political level too, our interaction with Latin America is proceeding very well. In recent years, we have had the privilege of receiving the Presidents of Brazil, Mexico, Chile and Venezuela. From our side, our Prime Minister has visited Cuba and Brazil in late 2006. Hon'ble President of India, visited Brazil, Mexico and Chile in April 2008. I myself visited Brazil in February 2008. My colleague, Mr. Anand Sharma, Minister of State for External Affairs, has also been visiting LAC countries for holding dialogue with their dignitaries. On 10 June 2008, I hosted the second India-SICA Foreign Ministers' Meeting in New Delhi]. I also met with some of my colleagues from these countries on the sidelines of the UNGA meetings in September-October 2008. Only a few weeks ago, we received the Foreign Minister of Ecuador with whom I had fruitful discussions. We look forward to receiving the Presidents of Chile and Argentina in India early next year. Colombian President Alvaro Uribe, and Ecuadorian President Rafael Correa too are expected to visit India in the second half of 2009. Interaction with the LAC is also being pursued at other levels, through the mechanism of Joint Commission meetings, Foreign Office Consultations and Joint Working Groups. 11. As part of its commitment to promoting South-

South cooperation, India has been participating in capacity-building and development partnership initiatives in these countries. Indian Lines of Credit are being extended to some of these countries for developmental projects. Disaster relief assistance is also periodically extended to them. Under the Indian Technical Economic Cooperation, scholarships are being extended to candidates from these countries for pursuing short-term training courses in various disciplines. Indian experts are also being deputed under ITEC for providing guidance in key sectors. Similarly, our government is also funding establishment and running of IT centers in some of these countries. 12. At this critical juncture, when the financial crisis in the developed world has impacted the world economy, such South-South cooperation between India and LAC, within the LAC countries and between LAC nations and developing countries in other parts of the world, needs to be intensified. By cooperating with each other in economic development projects and for upgrading their infrastructure, our economies will be providing vital business opportunities to each other. Such cooperation has many benefits. It will help keep our economies growing, check recessionary trends, make technology and talent available at economical costs, upgrade infrastructure and other key facilities and prepare our economies for fuller international economic engagement when this difficult economic phase ends. The rationale for such cooperation is also reinforced by the common challenges we face. Despite our varying cultures and backgrounds, our countries face similar developmental problems. We all seek to provide equal and fair opportunity for the poorest of the poor in our countries to fulfill their aspirations. To address these challenges, we must continue to unitedly position ourselves during the deliberations of the WTO and other such bodies. We must also actively continue to collaborate with each other on issues such as Climate Change, International Terrorism, reform of the United Nations, restructuring of the international financial architecture and other such critical matters. 13. I am confident that from the deliberations of this distinguished and learned gathering, we will benefit by receiving concrete proposals that will help strengthen and diversify India's growing engagement with Latin America. 14. I now formally declare this Conference open and wish participating scholars all success in their deliberations. Thank you.