

(e) Prior to the war, Iraq produced about 3% of global crude output. India has not lifted oil directly from Iraq since December, 2000. There has been no disruption in the import of crude oil by India on account of war. India has adequate foreign exchange reserves to meet any short term rise in crude oil prices.

Indo-German Agreement

3654. DR. AKHILESH DAS: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the German President recently visited New Delhi.

(b) if so, the agreement to MOUs signed during the visit for closer ties between the two countries; and

(c) whether he supported India's claim for a permanent seat in the UN Security Council?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) and (b) Dr. Johannes Rau, President of the Federal Republic of Germany, paid a State visit to India from 2-7 March, 2003. The Memorandum of Understanding on an Indo-German Institute for Advanced Technology to be set up in Vishakapatnam, which was signed during the visit, indicates the close cooperation between the two countries in education and science.

(c) In a press interview on 3rd March, 2003, President Rau said that given the role India plays in today's world, India is a natural candidate for a permanent seat in the UN Security Council.

Re-negotiation on Indo-Nepal Trade Treaty

3655. DR. AKHILESH DAS: Will the Minister EXTERNAL AFFAIRS be pleased to state:

(a) whether any talks have been held with Nepal for re-negotiating the existing Indo-Nepal Trade Treaty and extradition treaty; and

(b) if so, the progress made, so far, in this regard alongwith the details of the new treaties, if any, since negotiated?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIVINOD KHANNA): (a) and (b) The Indo-Nepal Trade Treaty

was renewed on March 2, 2002, after incorporating suitable modifications to the Protocol to the Treaty without changing the basis spirit and framework of the Treaty. Nepal continues to enjoy non-reciprocal duty free access for its manufacturers in the Indian market. A reasonable value addition norm of 25% in the first year and 30% in the subsequent years for zero duty access and quantitative restrictions (for zero duty access only) on some sensitive commodities has been built into the Protocol with a view to ensuring that provisions of the Treaty facilitate the accrual of the benefits of the Treaty to genuine industries of Nepal and are not abused by unscrupulous economic operatives to the detriment of the Indian industry. The India-Nepal Trade Treaty remains one of the most liberal Treaties found any where in the world.

2. The existing Treaty of Extradition between India and Nepal was signed on October 2, 1953, and needs to be updated in the light of current international practices and the SAARC Regional Convention on Suppression of Terrorism, to which both India and Nepal are signatories. With this objective Government of India and His Majesty's Government of Nepal Commenced discussions in Kathmandu on February 16-19, 2003. The two sides have decided to continue their discussions in New Delhi at an early date with a view to finalizing the Treaty expeditiously.

Withdrawal from International Hockey Tournament

3656. SHRI NILOTPAL BASU: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government have decided to stay away from an International Hockey Tournament in Malaysia to protest over the action of Malaysian police against some Indian IT professionals;

(b) if so, whether Government consider using sports as an instrument of achieving foreign policy objectives; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA): (a) to (c) The recent incident involving the arrest and detention of 195 Indian IT professionals by the Malaysian Police raised concerns about the security of Indians in Malaysia. Accordingly, it was decided to advise against the visit of the official Indian