

# INDO - LAC BUSINESS

Jan-Mar 2005

News Magazine for Latin America & Caribbean Region ■ Rs.100

## The Great Global Game



# In This Issue



## DIPLOMACY

07

JVs proposed in pharma, IT & bio-tech  
India, Chile call for equitable  
Multilateral trading system



## DIPLOMACY

08

President Frias visit boosts  
bilateral trade  
India, Venezuela sign six  
collaboration pacts



## DIPLOMACY

09

Paraguayan Foreign Minister  
visits Delhi  
India offers know-how in  
wide-ranging sectors



## PERSPECTIVE

10

The Economics of  
'Stable Disequilibrium'

- Rubens Ricupero



## TRADE

14

Paraguayan Rlys & Farm sectors  
hold huge investment potential



## SPORT

22

The game goes global. Great, but...  
Soccer's Heart & Soul Remain in  
Latin America

## Seccion Español 40 - 45

### Distributed by:

**New Media Communication Pvt. Ltd.**  
in association with  
**Export Import Bank of India**

**Chairman:** R. K. Prasad  
**Managing Editor:** Satya Swaroop  
**Director:** B.K. Sinha  
**Group Editor:** Dev Varam  
**Executive Editor:** C.P. Nambiar  
**Consulting Editors:**  
Prabhoo Sinha & Rajiv Tewari  
**Art Director:** Santosh Nawar  
**Visualizer:** Maya Vichare  
**Editorial Team:** Tripti Chakravorty,  
Rojita Padhy & Shruti Sinha  
**Sr. Manager:** June Fernandes  
**Asst. Manager:** Anand Kumar  
**Asst. Project Manager:** Amit Verma  
**Accountant:** Sudhir Karishetty  
**Accounts Asst.:** Vrunda Gurav  
**Circulation:** Jawaharlal

### BRANCHES:

#### Kolkata:

Anurag Sinha, Branch Manager, A-7/1,  
Satyam Park, 2nd Lane, Near 3A Bus Stand,  
Thakurpukur Kolkata- 700 104  
Tel: 098300 15667, 033-24537708  
Email: anurag@newmediacomm.biz

#### Pune:

Geeta Khaladkar, Regional Head, Sahyog Apartments  
508, Narayan Peth, Patrya Maruti Chowk  
Pune 411 030. Telefax: 020 24454642  
Email: pune@newmediacomm.biz

#### Thiruvananthapuram:

Murugan, Branch Manager, TC-27/1915,  
MBRRA - 70, Mathrubhumi Road, Thiruvananthapuram  
Tel: 09846555000, 0741-2468421  
Email: murugan@newmediacomm.biz

#### Australia Office:

Bandhana Kumari Prasad, 129 Camboon Road,  
Noranda, Perth, W.A. 6062 Tel: 0061 892757447  
Email: bandhana@newmediacomm.biz

#### International Marketing:

**G. Biju Krishnan**

E-mail: biju@newmediacomm.biz

### New Media Communication Pvt. Ltd.,

B/302, Twin Arcade, Military Road, Marol,  
Andheri (E), Mumbai - 400 059 India  
Tel: +91-22-28516690 Telefax: +91-22-28515279  
E-mail: enquiry@newmediacomm.biz  
www.newmediacomm.com

Printed & Published by Satya Swaroop and printed at  
M/s Young Printers, A-2/237,  
Shah & Nahar Industrial Estate, Lower Parel,  
Mumbai- 400 013 and published at  
B -302, Twin Arcade, Military Road,  
Marol, Andheri (E), Mumbai - 400 059. India  
Editor: Veerendra Bhargava

The news items and information published herein have been  
collected from various sources, which are considered to be reliable.  
Readers are however requested to verify the facts before making  
business decisions using the same.



***Dear Reader,***

Greetings. Latin Americans are a happy-go-lucky people. They have a jest for life. Singing and dancing come to them naturally. And they enjoy playing football as if it were samba dance. And the undercurrent of their literature is “magic realism.” The essence of all this adds up to their lifestyle. The current issue of Indo-LAC Business aims at capturing some of the captivating aspects of Latin American lifestyle, their culture, their music, food and drink, leisure and cinema, sport and pastime. For Latin Americans, football is not just a sport. It is a way of life. Every kid wants to be a Pele or a Maradona when he grows up. Subtle dribbling, swift passes and artistry of footwork make the Latin American player, who is in great demand from European clubs. No wonder, in Brazil, export of football players is a big exchange earner for the country. We carry a write-up on the globalization of football, which is a multi-billion dollar business today. On the more serious issue of economy, we have the Exim Bank Commencement Day Annual lecture, delivered by Rubens Ricupero, former Secretary-General of United Nations Conference on Trade and Development. Ricupero. Presidents of two nations Venezuela and Chile and the Foreign Minister of Paraguay visited India early this year, aiming to further strengthen bilateral trade and to invite Indian companies to participate in joint ventures in those countries. Cuba and India have been friends since the days of Non-aligned Movement, Nehru and Indira Gandhi. India's Ambassador to Cuba Bhaskar Balakrishnan recalls how Indo-Cuban friendship has withstood the test of time during the last 45 years. On the exciting topic of medicine and breakthrough, we carry a report on the “wonder drug”, called “Vimang,” an antioxidant, developed by Cuban scientists from mango bark, which can help reduce risks of various diseases like cancer, cardiovascular disorders and arthritis. Paraguay is a lesser-known country compared to other Latin American countries but is blessed with natural scenic beauty, which is a delight for the discerning tourist. When it comes to food and drink, Argentina has few equals. We take you on a culinary trip down eating places of Buenos Aires. In leisure and arts, we have cinema, this time Mexican. We talk about the award winning film, Amores Perros. Plus we have all the regular features. Go ahead and relish them.

Wish you happy reading

**Satya Swaroop**  
Managing Editor  
satya@newmediacomm.biz



## AMBASSADOR OF INDIA BUENOS AIRES ARGENTINA



I am glad to know that the Indo-LAC Business magazine is highlighting on bilateral relations between India and Paraguay in its January-March, 2005 issue.

India and Paraguay have friendly and cordial relations based on democratic traditions. Though comparatively small in area, Paraguay has big potential for agriculture, manufacturing and high tech sector. The recently signed Preferential Trade Agreement between India and Mercosur will facilitate the level of economic co-operation between us in the commercial and industrial sectors. India also has a good scope for increasing its export of pharmaceuticals, textiles and handicrafts to this country. There is groundswell of goodwill for India, for Indian expertise and experience which could provide a niche for India goods and services as well as for joint ventures.

I hope this issue of the magazine will bring more awareness among the Indian businessmen about the trade opportunities in Paraguay. I appreciate the publishers of this magazine for taking initiative in this regard and wish them all success in their efforts.

**(Rinzing Wangdi)**

Ambassador



## India, Chile call for equitable Multilateral trading system



India and Chile have embarked on a new era of friendship, pledging to strengthen bilateral trade between the two vibrant democracies with highly dynamic economies, marking the visit to this country by Chilean President, Dr. Ricardo Lagos, from January 18 to 22, 2005.

Dr. Lagos, the first-ever Chilean Head of State to visit India, had wide-ranging talks with Indian President A.P.J. Abdul Kalam, Prime Minister Manmohan Singh and External Affairs Minister K. Natwar Singh.

The discussions were held in an atmosphere of friendship and understanding and both sides agreed to strengthen the bilateral relations. There was also detailed exchange of views on regional and international issues of mutual interest. The two sides noted with satisfaction understanding and similarity of views on many current international issues.

Both sides agreed on the importance of a sound, transparent, equitable and rule-based multilateral trading system. The two sides agreed to join forces to achieve a balanced outcome of the Doha Development Agenda, particularly in the area of agricultural reform, and agreed to continue to coordinate their positions as members of the G-20, in order to ensure that the concerns of the developing countries are duly considered.

The two sides underlined the immense potential for cooperation in defence, R&D, pharmaceuticals, biotechnology and IT services. Of special interest to the two sides are the pharmaceutical and biotechnology fields in which Indian proficiency could be used to mutual benefit. The two sides also agreed to explore possibilities for cooperation in mining, forestry, agriculture and education.

The two sides noted with satisfaction that the bilateral trade has grown significantly in recent years reaching US\$ 420 million in 2004. The two sides appreciated the effort of the private sector in general and the leading business organizations in both countries to further bilateral trade and joint ventures.

Both Governments emphasize the importance of holding in Santiago the III Ministerial Conference of the Community of Democracies scheduled for April 2005. Chile and India are two of the ten countries forming the Convening Group, whose active involvement confirms the priority afforded by both countries to the promotion and strengthening of democratic institutions and principles around the world.

The two sides agreed on the urgent need for reforms of the United Nations and expansion of the Security Council to reflect the new realities of the international situation. India thanked Chile for its support to India for permanent membership of the UN Security Council.

The following Agreements for Cooperation were signed during the visit:

1. Framework Agreement for Economic Cooperation. A PTA will be signed within 2005 and this will lead to a Comprehensive Economic Cooperation Agreement eventually.
2. Memorandum of Understanding between the Indian Council of Agricultural Research and the Chilean Agriculture Research Institute.
3. Memorandum of Understanding on Sanitary and Phytosanitary issues between the Ministries of Agriculture.

The two sides noted that the proposed visits of the Chilean Minister of Health and the Minister of Defence in the first half of 2005 will open up cooperation in these sectors.

President Lagos also visited Mumbai and held meetings with leading business leaders from various sectors and interacted with heads of leading Information Technology giants and biotechnology companies in Bangalore.

The bilateral trade has grown significantly to reach US\$ 422 million in 2004. Indian exports were 82 million dollars and imports 340 million dollars. India's main exports to Chile include engineering products, cars, two wheelers, tractors, trucks, textiles, pharmaceuticals, chemicals and leather products. Iflex has got a 10 million dollar contract to provide banking software to Bank of Chile. Chile's major exports to India are copper (90% of the exports to India), fish meal, fresh fruits, minerals and metals, paper pulp and wine.

Chile has shown interest in purchase of Advanced Light Helicopters and Defence items from India. The Defence Minister of Chile is expected to visit India in April 2005.

Chile has expressed support to India for permanent membership of UN Security Council. ♦♦♦

# President Frias visit boosts bilateral trade

## India, Venezuela sign six collaboration pacts

India and Venezuela signed six agreements to give a fillip to their bilateral trade during the successful visit of Venezuelan President Hugo Chavez Frias to this country from March 4 to 7, 2005.

President Frias had meetings with President A.P.J. Abdul Kalam, Prime Minister. Manmohan Singh, External Affairs Minister K. Natwar Singh and Petroleum and Natural Gas Minister Mani Shankar Aiyar.

This was the first-ever bilateral visit by a Venezuelan Head of State. The last high-level bilateral visit to Venezuela from India was in 1968 by the late Prime Minister, Smt. Indira Gandhi.

### **The following Agreement/MOUs were signed during the visit:**

- i) Agreement for Cooperation in the Hydrocarbon Sector;
- ii) MOU for Establishment of Joint Commission;
- iii) MOU for Cooperation in Biotechnology;
- iv) MOU for Cooperation in Space Science and Technology;
- v) MOU between ONGC Videsh Ltd. and PDVSA (Venezuelan State Petroleum Company);

vi) MOU between IRCON and IAFE, the Venezuelan Railway Authority

The Indian side agreed to share its developmental experience and appropriate technologies with Venezuela in various fields including Science & Technology, healthcare, low-cost housing, agriculture, Information Technology and poverty alleviation. It was agreed that the first meeting of the Joint Commission would be held as early as possible at a mutually convenient date to identify the areas of cooperation in various sectors.

The two sides exchanged views on regional and international issues of common interest and agreed to continue to work together in forums such as NAM, G-15, G-77, UN, WTO etc. They underlined the need for revitalization of NAM so that it emerges as a major pole in a multi-polar world, by becoming a collective, pragmatic and serious voice of the South. They reiterated the centrality of the United Nations Charter and the principles of international law in the preservation of international peace and security.

The two sides agreed on the urgent need for reforms of the United Nations and expansion of the Security Council to reflect the new realities of the international situation. The Venezuelan side expressed support to India's candidature for permanent membership of the United Nations Security Council.



The President of Venezuela, Mr. Hugo Chavez Frias, the President Dr.A.P.J. Abdul Kalam and Prime Minister, Dr. Manmohan Singh at a Ceremonial Reception in New Delhi.

# India offers know-how in wide-ranging sectors

India and Paraguay have agreed to strengthen cooperation and bilateral relations during the visit to India of the Paraguayan Foreign Minister. Dr. (Mrs.) Leila Rachid from 18 to 22 March 2005. She was in India to participate in the G-20 meeting and for bilateral discussions.



Dr. Rachid had meetings with Minister of External Natwar Singh and delegation-level talks with Minister of State for External Affairs Rao Inderjit Singh, in the context of the Memorandum of Understanding on Mechanism Consultation signed on 4 October 2002.

The Indian side expressed its willingness to provide training in various areas of interest to Paraguay under the Indian Technical and Economic Cooperation (ITEC) Programme including in diplomacy and English language.

The Indian side welcomed the Paraguayan proposal to open an Embassy in New Delhi and agreed to

facilitate the setting up of the Mission.

The Paraguan side had meetings with Indian industry and business with a view to promoting cooperation in the areas of railways, Information Technology, pharmaceuticals and agriculture.

The two sides welcomed the conclusion of the PTA between India and Mercosur and agreed to promote trade and business between the two countries.

The two sides agreed to promote exchanges and agreements between academics and universities of the two countries. The Indian side handed over a Draft Cultural Agreement for consideration by Paraguay.

The Indian side expressed its willingness to extend cooperation and sign agreements in areas such as Science & Technology, Avoidance of Double Taxation, Promotion & Protection of Investment, Extradition etc.

The two sides exchanged views on regional and international issues of common interest and agreed to continue to work together in multilateral fora, including in the struggle against terrorism and narco-traffic.

The two sides agreed on the urgent need for reforms of the United Nations and expansion of the Security Council to reflect prevailing international realities.

The Indian side accepted the invitation to hold the next consultation meeting in Paraguay at a mutually convenient date.



# The Economics of 'Stable Disequilibrium'

- Rubens Ricupero



My subject is trade and economic life as they are, here and now, and not as they are supposed to be in the textbooks. That is why the narrative will at times resemble a collage of yesterday's newspaper clippings.

Our starting point will be an apparent paradox. Last year (2004) was one of the very best in 30 years in terms of the expansion of the world economy above 5 per cent and of international trade more than 9 per cent. At the same time, 2004 was the year that the US current account, trade deficits and budget deficit all reached an unprecedented grave level the signs of major disequilibria between that country and the rest of the world. We were taught that economic disequilibria, particularly of this gravity and affecting an economy that accounts for one quarter of the entire world output, are inherently a bad thing and will not last. Nonetheless, despite all dire predictions, year after year, the main features of the international economy have shown a remarkable and surprising stability amidst great uncertainty.

It is in fact puzzling that despite oil prices hikes, fast growth and a booming budget deficit, core inflation in the US has been extremely moderate. It is equally

puzzling that private savings in that country have dipped to a historical low, that indebtedness keeps growing at an accelerated pace, and that personal bankruptcy has been spreading at a frightening rate with no apparent downside in terms of consumer confidence. It is as if the good old religion of our textbooks has been turned upside down. Thrift, austerity, frugality, hard work and investment in the future, the supposedly Protestant virtues at the root of the capitalist revolution, have gone out of fashion. Deep in debt, America the government and private households together are behaving more like the irresponsible, light-hearted and spendthrift Renaissance Popes: a combination of bellicose enterprises, extravagant projects not, unfortunately, Michelangelo's Sistine Chapel, but Star War systems and a superfluous new generation of atom bombs of borrowing not to invest but to consume.

On the basis of predictions by financial analysts and they do not seem far off-target, as they reflect a sort of widespread consensus it would perhaps be better to call the current state of affairs not one of "unstable equilibrium" but one of "stable disequilibrium" instead. This is not merely a play on words: it puts the



accent where it rightly belongs, on “stable”, because as everyone knows, this puzzling situation has been ongoing for years, at least for as long as that other anomalous phenomenon, “irrational exuberance”. On the other hand, what we have now is in no way a condition of “equilibrium” a term that, however, qualified or limited, cannot apply to the huge differences between the two giant deficits in the United States and the situation prevailing in Europe, Japan or China.

Take, for instance, the case of trade. Although its levels of gravity have varied considerably, the trade imbalance in the United States has existed for over 10 years now. It has indifferently presided over periods when world trade contracted, as in 2001 (minus 1.0 per cent) and over holy years, as in the 2000 boom, when trade volumes expanded by an exceptional 13 per cent. Contrary to widely shared expectations that once the trade deficit went beyond a certain level, it would set off an automatic, self-correcting mechanism, the deficit has kept growing and resisted everything in its path, which so far has included a not-insignificant devaluation of the dollar against many floating currencies. Perhaps one of the explanations lies in the exceptional nature of our time. In the first three decades after Bretton Woods, from 1944 to 1974 the period the French call “the 30 glorious years” there was a remarkable degree of currency and exchange rate stability; reconstruction and economic expansion in Japan and Western Europe proceeded swiftly, capital liberalization evolved progressively, world trade boomed but oil was cheap – sometimes even cheaper than mineral water – and most of the developing countries in Asia and Africa were still at a very low stage of integration into the world economy.

This is the first time in history we have had a combination of more or less free fluctuation among the major currencies (and episodes of sharp volatility); an unprecedented degree of capital account liberalization; an advanced stage of trade integration between Western countries, in particular the US and China and Asia; and the internationalization of the production and distribution chains of global corporations. At the same time, the urbanization occurring in the mega-cities of the third world, mass consumption, budget deficits and the constant threat of an oil price shock are further complicating the situation. No wonder we sometimes struggle to find relevant precedents for what we have been experiencing lately.

We probably don't know enough about the new heightened complexity of the interplay of these factors to predict the results with any accuracy. A few months ago, when faced by the sudden surges in oil prices, many feared that, just as in the spring of 2000, we would soon be engulfed by a wave of protests and unrest in Western Europe, followed by a sharp

economic slowdown in the United States and elsewhere. In reality, nothing of the sort took place, or at least not to the extent feared, as the appreciation of the euro cushioned the impact of the oil price rises in Europe, and in the US they were seen as a non-inflationary tax on rapid growth.

It is reasonable to postulate that the increasing trade and financial integration between East Asia and the US, creating a kind of informal, non-institutionalized but highly effective economic bloc, is of all the recent developments enumerated above the one with the farthest-reaching consequences as far as trade is concerned. In effect, some of the other elements capital account liberalization, or free currency fluctuation are not common characteristics of East Asian countries. It is precisely their absence from economies like China's that explains much of the extraordinary symbiosis developed by China and many of its neighbours with the United States, in the literal sense given by the dictionary: as an association of heterogeneous organisms dependent on each other for existence.

Heterogeneous they are indeed, in the sense that they belong to different natures, as indicated by the persistent American refusal to consider China a “market economy”. But who could doubt that they “depend on each other for existence”, given how much China has been growing for the past 20 years and more, thanks in part to the US market for its manufactures, and given the increasing reliance of the US on China, Japan and other Asian countries to finance its current account and trade deficits? Again, that symbiosis helps to explain some of the puzzling behaviour of the economy, such as the stubborn resilience of the trade deficit or the low inflationary pressures in the US. Both of them have something to do with a sort of permanent high import propensity developed by the US market as a consequence of the transfer abroad mainly to China of many production lines, on account of the lower costs involved; or to put it better, as a result of integration brought about by investment and trade.

To understand well the nature of the phenomenon is not a trivial matter, since it will enable us to determine whether the current stable disequilibrium is sustainable, and the extent to which this is desirable or unavoidable. This formulation is likely to cause some surprise, as there is a widespread assumption that the major global disequilibria are unsustainable and undesirable. That is undoubtedly the mainstream opinion, adopted as the official discourse of G-7 governments, the IMF and other multilateral organizations and also articulated by most economists and economic pundits.

In practice, the adjustment will mainly come, as Alan Greenspan suggested last year in Frankfurt, through

the devaluation of the dollar and its impact on US trade. As a matter of fact, this process has been under way for some time already, with the predictable rise in tension with the Europeans, called on to pay the highest prices in terms of export losses, and with the increased US pressure on China to revalue its currency.

Call it competitive devaluation or something else, it will still have to be painful if it is to be effective. Analysts estimate that, beyond the depreciation that has already taken place, the dollar would have to fall by an additional 20 per cent to 40 per cent for the current account deficit to disappear. Early this January, the dollar had fallen by 38 per cent against the euro from its peak in November 2000, but in terms of the Federal Reserve's broad trade-weighted index, the overall devaluation was only 16 per cent since its peak in early 2002. The discrepancy stems from the resolve of many governments, primarily in Asia, to resist the decline of their currencies through the accumulation of reserves. From December 2001 to September 2004, there was an increase in foreign currency reserves of US\$ 1,396 trillion, of which Asia alone accounted for US\$ 1,068 trillion.

Even if China and others are not inclined to give in, a dollar devaluation of the magnitude estimated 40 per cent would represent a US\$ 200 billion loss for the Chinese government as a consequence of the fall in the value of the reserves.

Despite those staggering figures, the United States and many Asian surplus countries are still clinging to the continuation of the status quo, which former US

Treasury Secretary Lawrence Summers called a "balance of financial terror" in other words, stable disequilibrium.

It is ironic to read today what the economic pundits were saying in 1973-1974: that there would be a few years of turmoil, three to four at most, and then everything would get back to normal and the system would find a new and lasting equilibrium. That was more than 30 years ago. It is important to recall this well-known piece of history in order to draw attention to a central fact what we have in our days is not at all what the Bretton Woods architects had in mind for an external monetary context that would ensure a truly competitive, level playing field for the trade game, without the distortions provoked by competitive devaluations. Neither does it correspond to the ideal conditions of monetary neutrality postulated by the free trade theorists as a *sine qua* condition, a prerequisite for extracting the maximum welfare benefits from an international trade system free of barriers and unfair distortions. That description, we have to admit, does not in the least resemble a system where changes of 20 per cent or more, whether upwards or downwards, can occur in the value of the

major currencies within the space of just a few weeks or months. Those are unpleasant truths that were bitterly learned during the interwar period of the 20th century but which seem to have been largely forgotten since then. UNCTAD, the United Nations Conference on Trade and Development, has been almost alone in calling attention to the need for better international arrangements in the monetary and financial areas. Unfortunately, most of the other international organizations chose to concentrate their exclusive attention on the adoption by developing countries of domestic reforms, overlooking the fact that such reforms can be easily undermined or nullified by the absence of a supportive external economic environment. The problems suffered by Hong Kong and Singapore during the 1997-1998 crisis clearly demonstrate that even the very best governance in terms of institutions and policies is no guarantee against the damage wrought by a structurally flawed international monetary and financial system. UNCTAD's Trade and Development Report last year focused in particular on an analysis of the links between trade and exchange rates. It underlined the importance of avoiding overvaluation as a means of preserving trade competitiveness and as a form of insurance against the risks of financial crisis. At the same time, it recognized the difficulty of implementing such a strategy with an open capital account that leaves countries vulnerable to short-term speculative capital seeking so-called "arbitrage gains", or earnings based on the differential between international and local interest rates. A better international system should be able to reduce excessive volatility in exchange rates among the major currencies and provide a measure of stability to international financial flows. In the absence of universally agreed mechanisms for those goals, countries should be allowed to protect themselves through appropriate capital controls, as the IMF itself reluctantly admitted in April 2003. The true reason why some developing countries have found it difficult to re-impose short-term capital controls, as Chile did in the past, is not the weight of the intellectual arguments against any type of capital controls. The explanation lies elsewhere, in their precarious dependence on the international financial markets for the continuous inflows of foreign exchange to service their debts, and the fear that the re-imposition of controls, however prudent, necessary and temporary, would frighten away the lenders. An inescapable trap is thus created by premature and exaggerated financial liberalization, a trap that is self-perpetuating and that feeds upon itself. This is why Columbia Professor Jagdish Bhagwati, one of the most respected trade economists but a caustic critic of the premature opening of the capital account by developing countries, compares the difficulty of escaping the financial liberalization trap to the predicament of

someone who tries to resign from the Mafia. As is well known, the “Onorata Società”, as Sicilians call it, does not like letters of resignation.

Countries that have painted themselves into a financial corner that are highly indebted, with an open capital account, and that use high interest rates to fight inflation will see their currencies appreciate against the dollar and their export competitiveness implacably eaten away, bit by bit. The bitter result is not hard to predict: the return of growing trade and current account deficits that at some point will scare off investors and produce a sudden reverse in financial flows and a new crisis. This is not a script for a disaster film in the future; we can already see it in action in some Latin American theatres. The truth of the matter is that, once again in our lifetime, we are beginning to witness a major reorientation of trade currents, exports and imports alike not because of any acquisition of new competitiveness on the part of some and competitive losses on the part of others as a result of innovation, hard work, trade talents, but purely on account of dramatic realignments among currencies. It is quite clear that the US is determined to seek adjustment not through the painful process of cutting the budget deficit and putting its house in order but through shifting the burden of adjustment to economies with a floating currency: Europe, Latin America and others. We will see yet again how, in the space of a few days, weeks or months, a realignment of exchange rates can completely subvert or erase trade concessions that took years and years of patient negotiations to achieve. And once again we will have to conclude that coherence between the trade system on the one hand, and the monetary and financial system on the other, is but a fig leaf, a rhetorical figure in the vocabulary of the hegemonic Powers. I have spent a great deal of time dealing with the link between trade and currency volatility because this is the most immediate and acute challenge faced by the trade system today. Behind the problem lurks the macroeconomic disequilibrium between the US and the rest of the world, which I have already examined here at some length in order to fulfill my promise to speak about the reality of an imbalanced global world as it is here today. It is time now to turn our attention to a different aspect of reality, the world of negotiations and of the functioning of the multilateral trading system, its institutions and their performance. In doing so, we must start from the current state of the Doha Round which, after the false start ended so ignominiously at Cancun, now finds itself in a curious stage that resembles the “Phony War” at the beginning of World War II. Waiting for a new WTO Director-General to be selected in the next few weeks, no true negotiations are taking place to prepare for the Hong Kong Ministerial Conference at the end of this year. There is therefore no concrete basis for an informed conjecture about whether that Conference will

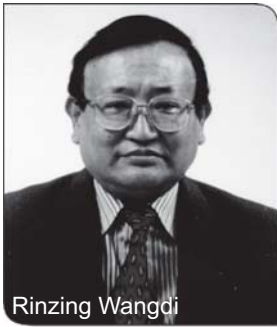
succeed in paving the way towards a successful conclusion of the Round someday in 2006, before the US Trade Promotion Authority expires the following year or a new American farm bill further complicates the negotiations. We are thus reduced to trying to figure out the shape of the future trading system without any assurance that the present one will survive the current test.

I could go on for hours about the numerous other challenges faced by world trade. A fascinating one, for instance, is how the system will ultimately be able to absorb the emergence of China in manufactures and of India in services. If not resisted in time, they will certainly reinforce the good old instruments of managed trade that are already being threatened against the surge of Chinese textile exports and against the outsourcing of services to India. Yet the greatest of all trade challenges, in my opinion, is not new but is, on the contrary, a quite traditional and old one, not related to “deep integration” but arising from the unwillingness of developed countries, the self-appointed champions of free trade, to renounce their rich and efficient arsenal of “border measures”. I refer to the well-known problem, ever postponed, of dealing with the “unfinished business” of the Tokyo and Uruguay Rounds, doing away once and for all with the backlog of barriers and obstacles to developing countries' exports: tariff peaks on sensitive products, tariff escalation to prevent import of value-added goods, a form of managed trade, the abuse of antidumping and countervailing measures and, above all else, the scandalous procrastination of agricultural trade liberalization, which was to be the key to the success of the Doha Round. In a comment on Lawrence and Litan's article by Brandeis Professor Rachel McCulloch, she rightly remarked: “Between the two GATT-plus scenarios of Lawrence and Litan, there is room for a third option that would also qualify as GATT-plus ... [and which] would go back to the first principles and would equally implement and apply the old rules before adding new ones. The current GATT (we should read WTO) is full of exceptions and is undermined by national actions in violation of the spirit and often of the letter of past agreements. This kind of GATT-plus would deal with many questions of shallow integration that are still with us before proceeding towards the formidable challenges of deep integration”.

I could not say it better or more eloquently. It is high time to do justice to developing countries and finally face the challenge of an unfair legacy of the past. In addition, it is indispensable to improve the coherence between trade, money and finance, putting an end to the prevailing stable disequilibrium, which may not be eternal but, as the memorable verse of a Brazilian poet has it, seems to be infinite as long as it lasts.

♦♦♦





Rinzing Wangdi

# Paraguayan **Rlys** & **Farm** sectors hold huge **investment** potential

Although the trade between the two countries is limited, the balance is in favour of India. However, the volume of export from India does not correspond with the potential that exists for Indian products in the Paraguayan market. Investment opportunities also lie in the transport (railways) and agriculture sectors.

Items of export from India include chemicals, pharmaceutical bulk drugs, agrochemicals, etc, auto parts, transport and textiles. Items of import into India from Paraguay include cotton yarn and essential oil.

Impediments: Long distance, lack of awareness of the market of each other's country and absence of direct air and shipping links and banking channels are manor factors, which hinder the growth of the bilateral trade

**The trade figures for the last three years have been tabulated below:-**

US \$ (millions)			
	2002	2003	2004
Indian Exports	5.62	12.55	15.63
Indian Imports	2.80	0.14	03.46
Balance of trade	2.82	12.41	12.17

## Economic situation and trends

Paraguay has a market economy marked by a large informal sector. The informal sector features both re-export of imported consumer goods to neighbouring

countries as well as the activities of thousands of micro enterprises and urban street vendors. Because of the importance of the informal sector, accurate economic measures are difficult to obtain. A large percentage of the population derives their living from agricultural activity, often on a subsistence basis.

Most observers attribute Paraguay's poor economic performance to political uncertainty, corruption, and lack of progress on structural reform, substantial internal and external debt, and inadequate infrastructure.

The formal economy grew by an average of about 3.0 per cent annually in 1995-97; but GDP declined slightly in 1998, 1999, and 2000, rose slightly in 2001, only to fall again in 2002. On a per capita basis, real income has stagnated at 1980 levels.

During 2002 the Paraguayan economy touched rock bottom in the last 20 years, but in 2003 it started to show signs of recovery, registering an economic growth of 2.6 per cent, according to adjusted Central Bank Statistics. This economic recovery was primarily due to the growth in the agriculture sector, which has been about 12 per cent.

The external and internal factors contributed to enhance the economic situation of Paraguay in 2003. The control of the high inflation registered in the first quarter, the relative recovery of the economic agents'

trust in the banking sector and the relative recovery of the government's credibility figure among the internal ones. Among the external ones, they are the greater stability and growth in the region and the increase of the international prices of soybean and cotton. As a result the international reserves during 2003 increased sharply from US\$641.3



14 Jan-Mar 2005

millions in December 2002 to US\$982 millions in December 2003.

The new President of Paraguay, Nicanor Duarte Frutos, who assumed in August 2003 vowed to fight against corruption and effect economic reforms. The immediate and important achievement of the new government was the Stand-By arrangement with the IMF, signed at the end of the first fortnight of December, 2004. An important remark of this credit was that the Paraguayan authorities were not going to use it unless a major economic problem takes places. This arrangement allowed the authorization of two credits of US\$ 30 millions each, one from the World Bank and the other from the Inter American Development Bank. These two credits were used to pay the external debt obligations and thanks to this payment Paraguay avoided entering in default.

The new government made a strong effort in order to get Congress' approval of several economic laws. Among them the important one is the Bank Resolution Law which creates a deposit insurance fund to protect the general public, the law that restructures the



payments' calendar of the treasury bonds and the Pension Reform Law which reforms the public sector's pension system.

There is no resident mission in each other's country. India has a honorary Consul General in Asunción. This country is a member of Mercosur.

*Author Rinzing Wangdi, is Indian Ambassador to Paraguay*



**INDO-LAC  
BUSINESS**

## SUBSCRIPTION FORM

**Annual subscription rate INR 500, US \$ 100\***

Yes! I would like to subscribe the INDO-LAC BUSINESS for one year. Please arrange to send the magazine at the following address:

**Name** : \_\_\_\_\_

**Company** : \_\_\_\_\_ **Designation & Dept.:** \_\_\_\_\_

**Address** : \_\_\_\_\_

**PIN** : \_\_\_\_\_

**Phone** : \_\_\_\_\_ **Mobile:** \_\_\_\_\_

**Email** : \_\_\_\_\_

**Payment details:** DD/Cheque No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on \_\_\_\_\_ Bank for INR / US \$ \_\_\_\_\_ in favour of NEW MEDIA COMMUNICATION PRIVATE LIMITED payable at Mumbai.

**For subscription details contact:**

**JUNE R. FERNANDES**, New Media Communication Pvt. Ltd., B-302, Twin Arcade, Military Road, Marol, Andheri (E), Mumbai 400 059. India. Tel: + 91 22 2851 6690. Fax: + 91 22 28515279.  
E-mail:june@newmediacomm.biz / enquiry@newmediacomm.biz Website: www.newmediacomm.com

\*conditions apply



# Paraguay A Land of Heroes lit by fireflies at nightfall

Paraguay is perhaps the least known of the South American republics. Jesuit missions lit by fireflies at nightfall and the vast Chaco plains now make the country an appealing destination on the overland route from Argentina to Brazil. You'll find Paraguay in central South America, between Argentina (west), Bolivia (north) and Brazil (east).

The Paraguayan population is close to six million and comprises predominantly mestizo (mixed Spanish and Amerindian) peoples speaking both Spanish and Guaraní. Paraguayans are predominantly Roman Catholic (90 per cent) with Mennonite and other Protestant.

## Food & Drink

River fish and meat dishes, usually served with cassava or some other grain-based staple comprise most Paraguayan dishes. In the capital you should be able to track down most food, particularly pizza and pasta, while outside Asunción, go native and try *locro* (maize stew), *mazamorra* (corn mash) and *sooyo sopy* (soup of meat and noodles). *Mate* (coca tea) is consumed in copious amounts across the country. *Mosto* (sugar-cane juice) and *caa* (fermented sugar

*Andrés Barbero* (namely for its collection of indigenous artwork) and *Museo del Barro* (modern art) on their must-see lists.

Close to the capital lie the towns of Itaugua (known for *nanduti* weaving), San Bernardino and Aregua (which sit on the shores of Lake Ypacarai) and the villages of Yaguarón and Piribebuy, with colonial buildings and a



rural charm.

## Fireflies

Paraguay's now-crumbling Jesuit missions are one of the country's highlights. Trinidad, which sits on the crest of a hill not far from the capital, and nearby *Jesús de Tavarangue* both have museums and are interesting, if a

little eerie, places to wander around. If you can possibly visit at night, the fireflies and occasional summer thunderstorms make for an amazing sight.

## Land of heroes

Paraguay history is full of powerful personalities and events, some of which were motivated by worthy ideals, others by national and personal glories. If you have watched the movie *The Mission*, Paraguay and the neighbouring border regions of Argentina and Brazil were where it took place. In the 17th century, the Jesuit missionaries came here before the Spanish and Portuguese colonial powers did. They converted the local Guaraní Indians, and set up autonomous socialistic-theocratic communities of Indians, who



cane spirit) are other favourites.

## City by the River

Asunción sits on the Rio Paraguay, close to the country's border with Argentina. It's a pleasant enough city to visit and you should be able to track down most of the sights within a day or so. These include *Palacio de Gobierno*, the pretty, colonial *Casa Viola* and the *Casa de Cultura Paraguaya*.

The city's oldest building, the *Casa de la Independencia*, is significant as the site where independence was declared in 1811. During the oppressively humid summer months, the *Jardín Botánico* offers a welcome respite from the heat, while museum fans should scribble the *Museo Etnográfico*



adopted European customs, built magnificent churches, schools and hospitals, and engaged in art, music, education, science, etc.

This 158 years of experimentation alarmed the great powers who wanted the territory as private *estancias* and the Indians as mere slaves. They attacked the settlements and expelled the Jesuits. Today, ruins of these grand structures and remains of their intricate carvings still stand in **Encarnacion** region, some of which have been declared World Heritage sites.

In Trinidad city you can find the remains of this grand experiment, damned by the imperial powers who did not want to see the rise of a successful Indian community. The only legacy today of that episode is perhaps the integration of the Spanish immigrants with the Guaranis, whose language is today the second national language of Paraguay.

The next rise of Paraguay came in the 19th century, after independence came to the American continent. Dictator Gaspar R. De Francia, "El Supremo", imposed a policy of isolation and self-sufficiency. His successor, Carlos Antonio Lopez, began a process of modernization which introduced one of the first railway lines and telegraph systems in South America. His son, Francisco Solano Lopez continued the work, and built a formidable army one of the largest in South America.

Even today Francia and the two Lopez remain national heroes. Their portraits appear on banknotes and coins, and their bodies lie in the Pantheon of National Heroes in the City Centre, with a permanent guard of honour. The statue of Francisco Lopez on his leaping horse stands near the Presidential Palace.

The city Ciudad del Este is a gigantic mall for Brazilians who came over for cheap electronic goods, and other stuff. An endless traffic jam greets the visitor, no different from those on major border towns of richer/poorer.

#### A city by the river

The city is built on a rise overlooking a large bay formed by the Río Paraguay. The downtown runs south-southeast from the bay for about 10 blocks to Teniente Fariña, and it stretches 17 blocks from Colón in the west to Estados Unidos in the east. Most hotels, restaurants, shops, and offices can be found in this rectangle. Except for the irregular coast along the river, Asunción's streets follow a standard grid. Downtown streets are narrow and generally have one-way traffic. Two major squares -- Plaza de los Héroes and Plaza Uruguaya -- provide cool resting places in the shade of jacaranda trees.

**Casa de la Independencia:** this 1774 house with whitewashed walls, brick floors, and a lovely patio was once the secret meeting place of revolutionaries plotting to break away

from Spain. They entered and left in the dead of night through the *callejón* (alleyway) in back. Relics from the May 1811 revolution, which secured Paraguay's independence, are displayed in this well-maintained museum, as are religious artifacts and furnishings depicting a typical colonial-era home.

**Panteón Nacional de los Héroes:** Nothing symbolizes Paraguayan history more than the National Pantheon of Heroes, a memorial to the fallen soldiers of the country's hopeless battles and disastrous wars. Construction began in 1864 under the regime of Francisco Solano López, who envisioned a chapel modelled after Les Invalides in Paris. The building was completed in 1936 after the Pyrrhic victory of the Chaco War against Bolivia. López is interred here, as are the remains of two of Paraguay's unknown soldiers. The wars still loom large in Paraguay's consciousness, but commemorative plaques placed on the walls by the old enemies -- Argentina, Bolivia, Brazil, and Uruguay -- illustrate that relations have improved. Two sentinels guard the eerily quiet memorial, a place of pilgrimage for every Paraguayan who visits Asunción. A 15-minute changing of the guard ceremony takes place Saturdays at 10 AM.

**Jardín botánico y zoológico:** The government has improved maintenance at this once-neglected park (a trend that's catching on in other parts of the country as well). Besides plenty of plants and a small zoo, you'll find a fine example of a country house, once the home of President Francisco Solano López. It's now a museum with exhibits on Paraguayan wildlife, ethnology, and history.

**Catedral de Nuestra Señora de la Asunción:** Inside the newly renovated seat of the Archdiocese of Asunción, portions of which date from 1687, are an enormous gilded altar and many 18<sup>th</sup> and 19<sup>th</sup> century religious statues and paintings.

**Palacio de Gobierno:** The elegant horseshoe-shape Government Palace, with verandas and wide staircases, overlooks the bay. It's open to the public on most holidays, but gives tours on Thursday and Friday if you arrange it one day in advance. ♦♦♦



Palacio de Gobierno



# Four Decades of Indo-Cuban Friendship

## A bond that withstood the test of time

**The bilateral relations between India and Cuba are deep-rooted and could be traced to the non-alignment movement, during its heyday. On the 45<sup>th</sup> anniversary celebrations of the establishment of diplomatic relations between India and Cuba Indian Ambassador in Havana Bhaskar Balakrishnan recalled how the lasting bond between the two countries has withstood the test of time. Following was his address delivered on January 12, 2005.**

India was one of the first countries to recognize the new revolutionary government of Cuba in 1959. Soon after that, Che Guevara paid a visit to India in July 1959, during which he met with Prime Minister Jawaharlal Nehru. Thereafter, our two countries moved to establish relations, and the Indian Embassy in Mexico was accredited to Cuba. In 1960, at the 15th session of the UN General Assembly in New York, Prime Minister Nehru met with Fidel Castro. India opened its first resident Embassy in Havana in 1960, headed by a Charge d'Affaires. In 1972, Cuba raised its representation in Delhi to the level of Ambassador, and India did the same in Havana in 1974.

Our relations have progressed steadily over the years. President Castro visited India in 1973, though his visit had to be cut short because of the crisis caused by the overthrow of Chile's President Allende. He again visited India in 1983, for the Non-Aligned Summit in Delhi. India's Prime Minister Rajiv Gandhi paid a visit to Cuba in 1985. In addition meetings between our leaders have been held during various international summits, including the Non-Aligned Summits in Durban, and Kuala Lumpur. At other levels there have been many exchanges of visits by Ministers, senior officials, and representatives of political parties, including the Communist Parties of India and of Cuba.

Our relations have been strengthened by a series of bilateral agreements covering diverse sectors. A Trade Agreement was signed in 1979, a Cultural Agreement in 1976, and a Science and technology Cooperation Agreement in 1978. An Agreement on cooperation in peaceful uses of atomic energy was signed in 1985, and is being renewed. A Joint Commission was set up in 1989, which has met regularly, most recently in Delhi in November 2003. Annual official consultations at Vice-Minister level have been held regularly between the two Foreign Ministries. In addition, protocols, work plans, and memoranda of understanding have been concluded in diverse fields, such as Agriculture, Sports, Renewable Energy, Science and Technology, Standardization etc.

India's economic and technical cooperation programme (ITEC) with Cuba has expanded significantly. From the initial 10 training scholarships per year, it has grown to 38 this year. A solar power

plant of 10 kw was set up in a remote village in Santiago de Cuba in 1995. Cooperation in biotechnology has grown with Indian companies showing keen interest in Cuban technology. Two joint ventures have been set up. CIM and Biocon, one of India's leading biotech companies have formed a strong partnership, and Cuban anti-cancer products will soon be in the Indian market.

Trade exchanges, which had fallen during the special period, are recovering steadily. We are glad to see Cuba's economy getting stronger and more diversified. We welcome the progress in sectors such as tourism, oil, nickel, and biotechnology. India's economy has also grown stronger over the years, with a growth rate of over 6.0 percent during the past few years. Economic reforms have made many of our sectors more competitive and inflow of investments has increased. Services exports, especially in Informatics have been growing strongly. These developments would result in more opportunities for partnerships between Cuban and Indian entities in the future.

Cooperation in areas such as sports, health, and culture offer promising possibilities. Cuban coaches have been working with Indian institutions for several years. In health, there have been some exchanges between medical research centres of both countries. Films, music, dance, literature, and plastic arts are all areas where exchanges could be mutually beneficial.

In the multilateral sphere, we have common points of view on many key issues. India and Cuba have worked closely to strengthen the Non-Aligned Movement. Cuba hosted the 1979 summit and India the 1983 summit. Prime Minister Indira Gandhi and President Castro had a close rapport and worked together during these years. India and Cuba were members of the NAM group of 4 which tried to end the Iran-Iraq conflict. Both our countries have worked to help African countries throw off colonialism, and share the desire to work for the progress and development of Africa. India has consistently supported UN resolutions calling for an end to the US economic embargo against Cuba. India has also voted against resolutions on Cuba in the UN Human Rights Commission.

Today there are many challenges facing us. The UN

needs to be reformed and revitalized and the UN Security Council needs to be expanded to take into account the vastly increased membership since 1945. The UN framework was adopted in 1945 when the world was completely different. It must be revised to take into account present day realities. The global financial and trading system does not meet the needs of developing countries. We face many global problems, such as environmental destruction, disease outbreaks, natural disasters, global warming, terrorism and organized crime, preventing harmful use of technology, etc. Conflicts and wars continue to take their toll. Fossil energy resources are rapidly depleting as energy demand grows.

The international system today is marked by dominance of a single large state, but the resolution of

major global issues requires the cooperation of a large number of states and peoples. There is a trend towards fragmentation of state structures, as well as towards integration, and towards freer flow of finance, information, technology, goods, services, and persons. Non-state actors are increasingly exercising considerable influence both positive and negative. Mere military dominance in the traditional sense will no longer assure sustainable security and progress. Societies with diverse values and heritages need to develop and interact in a healthy and constructive manner. The challenge is to strengthen structures for constructive international cooperation, resolve conflicts and disputes, and concentrate our efforts and resources for the progress of mankind. I am sure that in the future, India and Cuba will play their role in this noble effort.

## Strong & Stable Economic Relations

"All Indian Governments, irrespective of their ideology or tone, have been solidary with the Cuban people", expressed M.S. Bhandari, officer of the Foreign Office of the sister country, in an interview by Granma some months ago in New Delhi.

Simple but eloquent and sincere words, true image of the reality of these 45 years of diplomatic relations between Cuba and India.

Links that have not had ups and downs, that collect in memory as summit moments the friendship ties of Fidel and Jawaharlal Nehru, consistent when they decided on January 12, 1960 at the United Nations to establish full diplomatic ties; links that were also obvious with his daughter, Indira Gandhi to whom Fidel handed over in New Delhi the Presidency of the Non Aligned Movement and after her assassination in 1984, with Rajiv, also assassinated, in 1991.

It is admirable both countries' firmness in keeping that friendship always active, no matter what are the changing circumstances in the world, or the geographic distance, and above all the economic elements, in a planet whose future appears even worse for the peoples that have less.

We have mentioned Delhi as an example of the fondness for the Cuban people, likewise this is observed in Mumbai (previously Bombay), the very clean Bangalore, with full blocks of flowers and fruits, Pune, and Agra cradle of the Taj Mahal as well as in any other remote place of the West Bengal State.

We reciprocate this fraternity whenever we receive an artistic delegation from India, enjoy films like Gandhi and Lagaan, and watch the dance of Sonal Mansingh, for whom dancing is more than an art form, a reason for living, like the friendship among our peoples.

The political will and mutual understanding outstand in all these aspects, to unite these two nations: one with over 1 000 million inhabitants, and the other with a little over 11 million. It can be observed, the desire to cooperate with Cuba, modestly but valorously, like when a Programme financed by the Foreign Office of the Asian country since September 1964, the Indian Economic and Cooperation Programme (ITEC), offers scholarships

to the Cuban side every year in the way of training courses for professionals.

In this regard, Cuba has received its benefits since 1989 in fields such as textile industry, Informatics, agriculture, non-conventional energy sources, investments, standardisation, education, and studies and improvement of English language.

Last year the two nations strengthened cooperation through agreements in the fields of renewable energy, the struggle against cancer, and regulation and attestation of products.

Since ever India, founder of the Movement of Non Aligned Countries, has consequently defended South-South cooperation, and has supported Cuba in all the international forums, mostly opposing the blockade by the North American imperialism and the campaigns against Cuba at the United Nations Human Rights Commission.

How can we ever forget the generous gesture of the Indian people when they gathered, handful by handful, 11 000 tons of rice to help Cuba in the beginning of the special period? Or when they sent toys for the Cuban children, collected by the National Coordination Committee and the private and public schools, among them the one named Jose Marti.

To the scholarships for professionals, the support in alternative energy sources is added and, in this context, the donation of a project which provides solar energy to one hundred houses in Santiago de Cuba.

Likewise, the support to the revolutionary works of our people, the rejection to the measures against Cuba dictated by the United States attempting to drown us, and the tangible expressions of demand for the freedom of the Five Heroes who suffer unjust imprisonment in the Empire for combating terrorism, are multiplied in numerous cities.

In conclusion, 45 years of diplomatic relations in which political will, friendship and mutual affection strengthen optimism and the common will to fight for a better world.

**By Arnaldo Musa**



*The game goes global. Great, but...*

# soccer's

## Heart & Soul Remain in Latin America

The financial muscle of world football is overwhelmingly in Europe, but Latin America can still claim to hold the game's heart and soul. The first ever World Cup finals were staged in Uruguay; Brazil is the only team to have qualified for every World Cup, and to have won the trophy when it was staged outside its own continent; and the two claimants to the unofficial title of best player ever are Pele and Maradona - Brazilian and an Argentine...

nine of Real Madrid's squad of 23 were from outside the country for whose championship they compete; for Milan it was 15 out of 26; for Juventus nine out of 27; for Internazionale 13 out of 25; for Ajax 17 out of 27; for Manchester United nine out of 31; for Arsenal 16 out of 22 and for Bayern Munich nine out of 16. It is estimated that there are now around a thousand African players with European clubs. **And the Brazilian Football Confederation claims that a staggering 5,000 Brazilians play professionally outside their homeland.**

The result has been a profound change in the culture of European club football. Until the early Nineties, perhaps later, a clear distinction could be drawn between the way football was played in Brazil, in Africa and in Europe. At a national level these differences are still very palpable - as the match between England and Brazil at the 2002 World Cup demonstrated - but at a club level they are becoming much less pronounced because of the increasingly cosmopolitan character of the top teams.

Football has conquered the world. Gifted players are born in Africa and Latin America, and top European clubs increasingly sign players from every continent.

The European Championship was once a lily-white occasion. No longer. The teams of the former great imperial powers, such as England, France and Holland, are today kaleidoscopes of colour, mirrors image of the people who populate their great urban centres. Their sides are ethnically diverse - breathtakingly so in the case of France - a tribute to Africa and the Caribbean as much as Europe itself. European Championship has been turned into a global occasion, invigorated and inspired by the rhythms and athleticism of other continents.

The bare figures illustrate the metamorphosis. By 2002, England-born players accounted for only 40 per cent of the Premiership. During the 2002-03 season,

Francisco Filho, the Brazilian under-17 coach for Manchester United and 'Jo' to friends and colleagues alike, argues: 'As players play in different continents there is a decline in national styles. Clubs are now benefiting from a greater variety of national styles in their teams. Manchester United are a Latin club with English characteristics. We pass, we play with the ball on the floor, but we also have the English mentality to fight. With globalisation, European clubs now possess a combination of characteristics,

Brazilian, English, African and so on.'

Jorge Valdano, the sporting



director of Real Madrid, makes a similar point: 'Twenty years ago it was easy to say that Latin American football was about technique and talent, and European football was about organisation, speed and fighting spirit. But with television and player transfers, all these trends are coming together.'

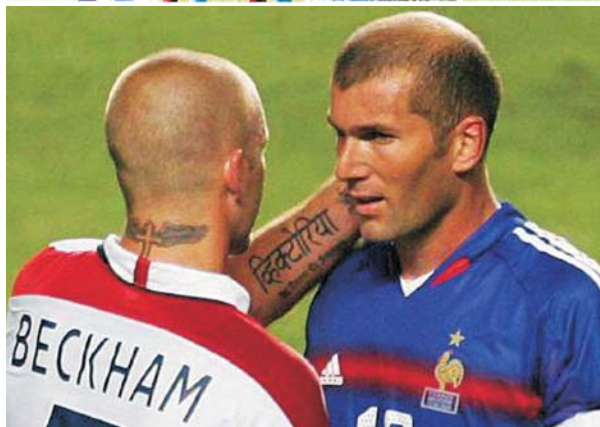
The driving force behind European clubs' growing cosmopolitanism is the rampant commercialization that has swept football over the past two decades. The annual turnover of Premiership clubs has grown by 500 per cent over 10 years. There have been four key factors: the huge increase in television revenue; the Bosman ruling; the growth of sponsorship and merchandising; and the increasingly professionalized nature of football management. The big clubs have become major businesses in their own right and some, such as Manchester United, as public limited companies, now beat to the rhythm of the Stock Exchange. A new breed of career chief executives, such as United's David Gill and Peter Kenyon now of Chelsea, has moved into football: they speak the language of the balance sheet and the share price, they see clubs as brands, players as assets, fans as customers and faraway places as markets. José Angel Sanchez is head of marketing for Real Madrid. 'Eventually,' he says, 'you may get just six global brand leaders. People will support a local side and one of the world's big six. We have to position ourselves for that.'

Last summer, with David Beckham on board, Real toured China, Japan and south-east Asia. Manchester United took the same route a year earlier and last summer repeated the act in the US - spreading the brand to previously untapped markets. 'We're content providers,' Sanchez says, 'like a film studio - and having a team with Zidane in it is like having a movie with Tom Cruise.'

European clubs, with an eye to the east Asian market, are buying Chinese and Japanese players, though their numbers are still sparse compared with those from Africa and Latin America. Meanwhile, Liverpool's possible link with Thailand and its Prime Minister, Thaksin Shinawatra - an extraordinary affair - emphatically illustrates the growing importance of the Asian market.

But will these European dreams of world conquest succeed, especially when, as Rogan Taylor, the director of the Football Industry Group at Liverpool University, points out, 'the traditional driving forces of football have been blood and soil'?

An extreme example of this phenomenon is the transformation of the Belgian team KSK Beveren: 14 of their squad's 22 players are from the Ivory Coast and sometimes the whole team consists of Ivorians. The club, who reached this year's Belgian Cup final, are based in an Antwerp suburb where anti-immigrant feeling and racist attitudes are strong. A local supporter puts it like this: 'People don't like the



Moroccans in Antwerp but everybody loves our new football team.'

If markets are one arm of football's globalisation, the other is labour. The case of Brazil dramatically illustrates the speed of the transformation in the movement of players. The spiritual home of football



ever since they first won the World Cup in 1958, the winners of five World Cups, the only nation to have qualified for every World Cup finals, the very word Brazil is somehow synonymous with football. But the top Brazilians no longer play their club football at home. Every single member of the 1970 World Cup-winning side played for a Brazilian club (though Pelé was subsequently to play in the United States). In the Eighties, players including Socrates, Zico and Falcão signed for European clubs. In the 1990s this trickle became a torrent. More than half the Brazil side that won the 2002 World Cup played for European clubs; Ronaldo, the best of them, has not played in Brazil since he was 17! It is similar in Africa. The best footballers at the recent African Cup of Nations played for European clubs. The attraction of Europe, for the top Brazilian and African players alike, is obvious: this is where standards are highest and the rewards greatest.

The migration has denuded Africa and Latin America of many of their best players. Sepp Blatter, the Fifa president, in an exclusive interview for OSM, described well the effect of this exodus on African football. 'Without the best players in the leagues, how can we expect strong spectator support? How can we expect sponsors to invest their money into the game at the domestic level? I tell you, it absolutely cripples the domestic leagues. Twenty years ago this was not the case and there was not only great football, but great spectator interest in the African domestic leagues.'

Last December Blatter wrote: 'Europe's leading clubs conduct themselves increasingly as neo-colonialists who don't give a damn about heritage and culture, but engage in social and economic rape by robbing the developing world of its best players.'

If the relative absence of the US is one striking feature of football, there is another, even more dramatic and important divergence from the traditional global

economic pecking order. At the top of the global football ranking stands Brazil. According to the World Bank figures for 2003, it occupies 94th position in terms of per capita gross domestic product (measured by purchasing power parity). Argentina lie fifth in Fifa's most recent world rankings, but 70th in the World Bank hierarchy. Latin American teams such as Uruguay (93rd in the World Bank table) and Paraguay (132nd) also enjoy strong football reputations, while African sides such as Nigeria, Senegal and Cameroon - among the poorest countries in the world, lying 195th, 176th and 167th respectively in the World Bank ranking - have performed well in recent World Cups. It is worth recalling that at the last World Cup, Brazil, Turkey and South Korea reached the semi-finals, and Senegal made the quarter-finals.

If money talks - dictates and dominates - at the club level, the World Cup, the apogee of the sport in terms of national competition, acts as a democratic counter-balance, reminding us that the heart and soul of the game belongs not to the bean counters, or the clubs that can afford the biggest transfer fees and the highest wages, but to the most gifted players and the cultures from whence they come. With a wry smile, Manchester United's Brazilian émigré Jo - Francisco Filho - says: 'England use power. The mentality is to fight. But as a Latino, my instinct is not to fight but to put the ball behind you. The Africans do nice things with the ball. They take great pleasure in the artistry of football. The German team makes a virtue of efficiency, the Italians of defence - catenaccio - the English of the fighting spirit, but the Brazilians, and sometimes the Africans, have made football into an art form.'

The story of Brazilian football provides an insight not only into Brazil but also into the global spread of the game. In 1959, Gilberto Freyre wrote: 'The Brazilians play [football] as if it were a dance. This is probably the

Crowd in stadium, Rio de Janeiro, Brazil



24 Jan-Mar 2005



result of the influence of those Brazilians who have African blood or are predominantly African in their culture, for such Brazilians tend to reduce everything to dance, work and play alike.'

Until the Thirties, blacks and mulattos - mixed race - Brazilians were not allowed to play professional football. It was white only. By the Fifties, growing numbers of black players were at the top clubs: in the 1958 World Cup-winning side there were three blacks and two mulattos. It was the first multiracial side to win the World Cup. Before that the competition was, de facto, an exclusively white domain. And it was the 1958 side that introduced to the world what came to be known as the Brazilian style.

Today we are now thoroughly familiar with the idea of black footballers and the aptitude, skills and styles that they have brought to the game. The French national side is predominantly non-white. The racial make-up of the England team is not so dissimilar, even though an England manager in the early Nineties was warned by senior Football Association officials not to pick too many black players. If the 1958 World Cup was exclusively white - with the exception of the Brazilians - the last World Cup, with its many African, Latin American and Asian sides, as well as mixed-race European teams, was mainly non-white.

The preponderant influence of black and brown players speaks to something else about the nature of football, a characteristic that lends the game a persistently subversive, rebellious quality. Football is the game of the poor, the game of the masses, which is why it is increasingly a game of colour: whites, after all, make up less than a fifth of the world's population. It is played on the streets of Soweto with tin cans for goalposts. It was played in the favelas of Brazil using stuffed socks for a ball. The point about football is that you don't need any money, just a bit of space and plenty of time to practise. In poor countries, young boys don't have any money and, in the absence of any other opportunities, have lots of time.

Football shows what the poor are capable of - everywhere - given the chance. At the end of the 19th century, English football was a middle-class game until the working class adopted it and showed the sons of privilege a clean pair of heels. Football offers a level playing field for the poor - and so, while Africa is denied in virtually every other field of human endeavour, in football it promises to be the nursery of some of the greatest players in the world. It is difficult to think of any other walk of life where those not only of African descent but also largely from poor countries are so admired and acclaimed.

It is sometimes suggested that football is a simple game. In reality, it is both simple and complicated. 'Football,' argues Francisco Filho, 'is a difficult art. We play with one foot, balance the body, all the time running, your opponent elbowing you, your team-

mate running, and you must pass to his next step. It looks easy but you must understand the immense work that lies behind this.'

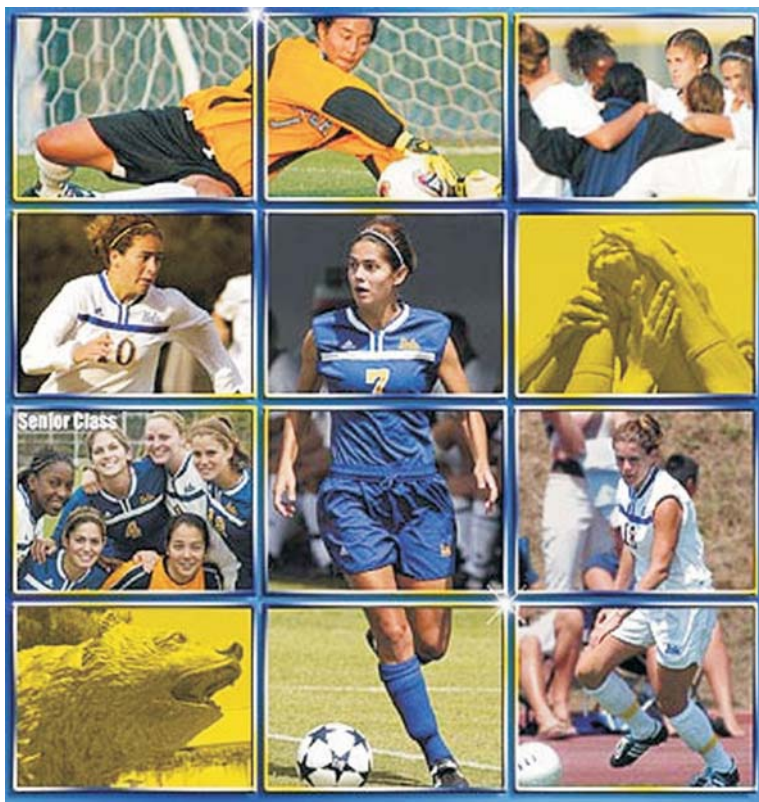
Football, then, presents us with a paradox. Many of the greatest players - Pelé, Eusebio, Maradona, Ronaldo, Rivaldo, Okocha - have been and are from developing countries. In future, this is likely to become more, rather than less, true as the top European clubs intensify their recruitment of Latin American and African players. As the World Cup finals become progressively more representative of these continents in terms of both teams and choice of venue, then Latin American, African and Asian sides are likely to become increasingly successful. What price an African winner at the 2010 World Cup in South Africa? This is the story of football's democratic potential. It is the positive side of football's globalisation.

The other stands in contradistinction. The accretion of wealth by the top European clubs has reduced even the great Latin American clubs such as Vasco da Gama, Santos, Boca Juniors and River Plate to financial minnows. There is not one non-European club in the world's top 30 clubs measured by revenue. Increasingly these clubs are being reduced to a satellite role in relation to the top European clubs. Many of the leading Latin American clubs use the revenue from transferring their players to European clubs simply to stay in business. Boca Juniors raised \$12million (£6.7m) on the Argentinian stock exchange by floating a fund that promised investors a cut from the future sale of certain named players.

As the best players move to Europe, support is dwindling, with attendance at Brazilian club games falling by 40 per cent over the past 15 years. The lure of the euro and the pound is encouraging corruption. Unscrupulous agents and club bosses queue up to take a cut from selling the latest promising player to one of Europe's major clubs. One of the best ways to 'sell' a player is to have him picked for the Brazilian national team. It is widely believed that the reason so many players are chosen for the many friendlies that Brazil stage is to make them more attractive to European clubs.

If Europe is putting the big squeeze on Latin America, a continent with a long football history and well established clubs and leagues, then Africa is even more vulnerable. Although football has been played on the continent since the colonial period, professional football is a recent phenomenon and the clubs are financially fragile, with very small revenue flows. If the club situation is serious in Latin America, it is dire in Africa. Every member of the Senegal team at the last World Cup played club football outside Senegal, all except two in France, with just one of the reserve goalkeepers still with a home-based club.

There are more than 150 football training centres in Senegal run by a body called the Association of



Football School Managers whose sole purpose is to find and export football talent. The best known, Aldo Gentina, is funded by Monaco. Ajax now own a feeder club - Ajax Capetown - in South Africa and the top European clubs are going down a similar path, scouring the continent to find the best young players, who have the added advantage that they come cheap compared with home-grown ones. The worst abuses have been constrained by a Fifa ruling in 2001 that prevents European clubs from recruiting players below the age of 18: what happened to Quinton Fortune when he was 14 would no longer be allowed. But, as in Latin America, big money is fostering corruption among both clubs and agents.

Yet African national sides can play an important role in the future of their countries. This is a continent where the nation state enjoys a fragile existence - not least because of the way in which European powers originally drew their borders. Many of these countries are extremely multi-ethnic in composition and burdened with the tensions that such diversity often entails. The national football team can be a source of pride, identity and cohesion. It is a precious asset in a continent where there are few to call upon. 'The best way to unite the country,' says Radebe, 'is through the football team.' Mark Fish, the South Africa defender who plays for Charlton, recalls Nelson Mandela telling him and Radebe: 'Sports personalities - especially football players - are more important than politicians because people look up to them.'

At the heart of the globalisation of football lies not simply a paradox but a conflict about the future of the game. On the one side are the European clubs whose

commercial power has been transformed and which - whether they are a plc, like Manchester United, or the creature of the super-rich such as Silvio Berlusconi's Milan or Roman Abramovich's Chelsea - seek to shape the sport in their own image and in their own interests. At the domestic level, Manchester United treat the FA, which presides over the national game, with barely concealed contempt. At a European level, the G-14 - now comprising the richest 18 European clubs - tried to tear up the present arrangements for European club competition and create a European super-league, composed solely of themselves, from which none of them would ever be relegated. At a global level, the G-14 have asked to be compensated for allowing their players to compete for their national teams. Such a proposal would undermine the national bodies of the European game and wreck the African teams. It is utterly self-serving and would do huge damage to the game at a national level. This, one assumes, is part of the intention.

The other side of football is composed of the national teams, continental competitions such as the European Championship and the African Nations Cup, and the World Cup. The globalisation of the game has been driven not only by the clubs but also by the extraordinary success of the World Cup (its final is the world's most watched sporting event, the last one commanding an audience of 1.7 billion). The best players in the world compete for their national sides on the greatest sporting stage of all, with a remuneration that is a fraction of what most receive from their clubs. While club football is increasingly dominated by Europe, the World Cup is moving in the opposite direction. Until 1990, it was exclusively held in Europe and Latin America. Fifa recently agreed, however, that from 2010 it would be staged on different continents on a rotational basis. The competing nations, meanwhile, become ever more numerous and diverse, with the successful sides drawn, in contrast to club competition, from an ever-wider range of continents and countries.

If club football is a largely negative expression of globalisation, then the World Cup speaks to its progressive potential. It remains to be seen how the growing conflict between these trends will evolve. If the rich European clubs triumph, the democratic potential of football will be distorted and stunted. If national sides and the World Cup can resist the forces of avarice, however, then football can come to occupy a new and even more elevated position in the global imagination.





# Brazil's thriving export of soccer players



Many Brazilians resent the fact that their country is often known abroad only for samba and football. Yet while its booming exports range from iron ore to aircraft, they also include footballers. Since the early 1990s, the number of players leaving the country to play for clubs abroad each year has risen from 130 to 850, making Brazil the world's biggest exporter of footballers.

Sadly, export success reflects domestic decay. Last year, an average match in the national championship attracted fewer than 8,000 supporters (compared with 35,000 in Britain's Premier League). One problem is corrupt club management: a Senate inquiry in 2001 found widespread tax evasion and money laundering.

Without professional management, clubs find it hard to pay top wages and players struggle to attract commercial endorsements. Manchester United and Real Madrid (with a Brazilian coach and stars) are global brands. But not since Pelé's Santos in the 1960s has a Brazilian club achieved international fame. Even in the 1980s, heroes such as Zico and Socrates went abroad only after long campaigns for local clubs. Today's stars, such as Ronaldinho Gaucho, had the briefest of club careers in Brazil before signing for European teams.

Now journeymen are following the stars to Europe. Of last year's exodus, some 200 went to Portugal, mostly to play in the lower divisions but on higher wages than at home. Less obviously, 25 went to Indonesia, while others now ply their trade on football fields from Armenia to Vietnam and Iceland to India. According to Luiz Fernando Sant'Anna, a São Paulo lawyer who specialises in football deals, a growing number are snapped up from youth teams and make their professional debuts outside Brazil.

Brazilian players cost European clubs less than local footballers of equivalent talent. Many fail to adapt to the change in climate and language. Some do and never return: Tunisia's squad at the 2002 World Cup included a naturalised Brazilian. He is an exception. According to

the Brazilian Football Confederation (CBF), Brazil imported 499 players last year. Nearly all were ageing returnees.

Luiz Gustavo Vieira de Castro, a director of the CBF, blames the exodus on the salary gap rather than poor management. Maybe so. A few clubs are better-run than in the past. In December, Corinthians of São Paulo, which has formed a partnership with MSI, a mysterious British firm which many think is backed by Russian-oligarch money, bucked the trend. It outbid European rivals to sign Carlos Tevez, a young Argentine star, for \$20m. But already this year, 76 Brazilian players have moved abroad.

*(Courtesy Economist)*





# The greatest of 'em all

For many he is the greatest football player the world has ever seen. An ambassador for his sport and his country. A player whose genius for soccer broke through the racial barriers of Brazil. But what lies behind the legend? Can one really call him the greatest footballer of all time? What were the great moments that we can see which illustrate why this man above so many million others bears the title 'the greatest'? What is the truth behind the reputation?

Pelé was born to a poor family and, like many young boys in the town of Tres Coracoes, did anything he could to get by, including shoe shining and re-selling peanuts he would steal from wagons at the local train station. But at the age of 11 he was discovered while playing football with a local team, and shortly thereafter was taken on by the leading football team, Santos. His remarkable story really took off when, aged only 17, he played in the 1958 World Cup, and scored vital goals on the way to Brazil's first World Cup trophy.

Pelé has scored a total of 1,282 goals throughout his years as a footballer - an unequalled goal a game, 12 of them in World Cup finals. He was decreed by the government 'a non-exportable national treasure'. Some question, however, whether he was too much the white man's soccer puppet who played the games of the military dictatorship and gave little back to his own people. Despite these accusations, he has been a talismanic figure for millions of poor and oppressed people all over the world, and whether the Brazilian government wished it or not, was an inspiration to the impoverished black majority of Brazil.



The film looks behind the scenes particularly at the World Cups of 66 or 70 - the 70 World Cup in particular is considered to be the best ever.

The film includes interviews with the Brazilian football greats from the glory years of the game - Carlos Alberto, Tostao and Rivelino who played in the winning 1970 Mexico World Cup, European masters like Charlton and Mullery, sports journalists who were there in Brazil and abroad, famously at the world cups of 58, 62 and 70, and authors like Garry Jenkins (*The Beautiful Team*) and David Yallop (*How they Stole the Game*).

Pelé's lifetime creates a dramatic and human story that many viewers, not just football fans, will find truly compelling. This film goes beyond Pelé's glittering football career and look at his impact on Brazil, international football and, indeed, the world





## The Land of Football & the greatest of 'em all

Many years ago an Indian tribe called fulniô lived in the interior of Alagoas State. As nobody gave the indigenous people work, the fulniôs slowly turned to blacks. They adopted their habits and had children with them. One of these families (half indigenous, half black) came to live in Pau Grande, a village in Rio de Janeiro State. Actually, the village was an English textile plant. People there drank whisky and played squash, cricket, and football. The greatest Brazilian football player of all times (at least the most artistic) was a black fulniô who played an English sport. His name was Mané Garrincha.

Look at these pictures. Brazilians have done to English football the same they did to the Portuguese language. They rounded it out, made it more mellow with fewer hard edges and weakened the consonants. They gave brightness and wonder to what once was heavy and monotonous.

The English gave Brazil a sport. The Black-Brazilian Indian-Portuguese transformed it into art. A popular national art, refined and essential. Is this the Land of Football? Other countries are as well: Argentina, Colombia, Italy, Nigeria... What's the difference? When you say "Land of Football" you're not just talking about passion. Others have it too. What you're talking about is football as a means of civilizing people. Football

civilized  
Brazil. It  
allowed the  
fusion  
between  
Black,  
Brazilian  
Indian and  
European. We  
feel and think  
through  
playing ball.  
The ball is an  
indicator of  
our faults and  
qualities.



When a ball catches sight of a Brazilian kid, one of those who show their tricks with the ball in the middle of a busy traffic road, it says: "Bingo!"

Football has shaped the Brazilian male body. Look at those feet, those arms in motion, those waists... Nowadays things are changing, the boys want to look more like Michael Jordan - shaven head, huge tennis shoes, shorts wrapped 'round their knees... This fashion isn't ours, of course, but the bodies are. Bodies of football players' children and grandchildren. Brazilian kids - from Oiapoque to Chuí - dream of being Fausto, Leônidas, Domingos, Zizinho, Pelé. And they've made it.

But let's face it, it was pretty easy for football to spread all over Brazil. Around 1900, only recently released from slavery, Brazilians had nothing, except their bodies and the street. When the authorities managed to ban capoeira (around 1910), they turned to football. Is capoeira a matter of rhythm? We play football with rhythm. Is capoeira a matter of dribbling? Let's make of dribbling our main move.

Look at the pictures again. What Brazilian kids want is to dribble, to control the ball. A famous coach used to stand by a street-car stop in front of his club house with a tray of oranges, in order to find new talents. When the boys got off the street-car he would throw them an orange. If the kid tried to control the orange with his feet he could start training.

Later, already on the pitch, the first lesson was: keep the ball on the ground and make it run. Another famous coach once lost his temper: "Balls are made of leather, right? Leather comes from cows, right? What does a cow eat? Grass. Consequently, balls are supposed to roll on the grass, for God's sake!"

Look at these pictures of the hills of Rio de Janeiro. A kid doesn't have much to do there. Or better saying, he only has one thing: his body. A body he uses for dancing and for playing football. Samba and football. Noel Rosa and Leônidas. Or, if you prefer more recent examples: Cartola and Pelé.







## Swinging to Calypso - Rumba Ho-Ho-Ho...

# A music full of rhyme & rhythm

Conga drums

Bongo drums

Caribbean folk and popular music are a mixture of West African and European (primarily Spanish) influences. West Africans who were brought as enslaved people to the islands of the Caribbean made music with percussion instruments such as drums, bells, and shakers. They brought their unique musical style elements as well: special tempo-setting rhythms (time lines) played by claves or bells, multi-layered and syncopated rhythms, and songs in call-and-response formats. Europeans brought with them the guitar, Spanish dance forms, and a Western European use of harmony.

The Caribbean Islands, also known as the West Indies, include the Greater Antilles (Cuba, Dominican Republic, Haiti, Jamaica, and Puerto Rico), the Lesser Antilles (Martinique and Guadeloupe), the Netherlands Antilles and Aruba, and Trinidad and Tobago.

The styles of Caribbean music vary from island to island. In Cuba, the most important style of music is the *son* (sohn), a rural style of songs for dancing. It includes mambo dance music, among others. The ending of most Cuban *sones* features a quick alternation between a soloist improvising a "call" and the rest of the group playing and singing the "response." Another popular Afro-Cuban dance is the *rumba*, which became popular as an American ballroom dance in the 1930s.

The Dominican *merengue* is a dance form that is also popular in Puerto Rico, Haiti, and Venezuela. Accordions, drums, and marimba are frequently used in ensembles that play *merengue* dance music.

Jamaican *reggae*, popularized by a group called Bob Marley and the Wailers, was preceded by styles called *ska* and *rock steady*.

Puerto Rican musical styles include the *bomba*, which uses a call-and-response format and has drum

accompaniment, and the *plena*, which is a ballad (story song) style similar to some found in Mexico.

*Calypso* developed mainly in Trinidad and Tobago. It is a popular style of song that often contains comical social criticism and satire. A less well-known style is *tamboo bamboo*, which involves using stamping tubes made of bamboo. Trinidad and Tobago are also known as the birthplace of steel drum bands.

### Caribbean Musical Instruments

**Conga drums:** Cuban barrel-shaped, one-headed hand drums, played in sets of two to four

**Bongo drums:** a set of two small one-headed drums held between the knees and played by hand

**Timbales:** a set of two one-headed metal shelled drums played with a stick

**Steel drums:** also known as "pans," are made from oil drums heated and hammered into an instrument with multiple pitches played with rubber-headed mallets. Steel drums are often played in bands of many instruments.

**Claves:** concussion sticks made of Cuban hardwood, which often play a time line, or tempo-setting rhythm

**Maracas:** gourd rattles played in pairs throughout Latin America

**Guiro:** a notched hollow gourd played with a stick

**Tamboo bamboo:** hollow bamboo tubes hit or stamped on the ground

**Tiple:** In Puerto Rico, a small instrument of the same general type as the cuatro, with four or five single strings

Other instruments used in the Caribbean Islands today include the violin, electric bass, acoustic bass, trumpet, trombone, saxophone, and the six-string Spanish guitar.





# Wining & Dining in Argentina

## A Gourmet's Paradise

Argentina has the highest per capita meat consumption in the world. Many gauchos have eaten beef for breakfast, lunch and dinner since they were children. You can envy them because when you get a good steak in Argentina, it is the best on earth.

The first time visitor will find Buenos Aires to be a surprising city indeed. Don't expect anything like Rio, Mexico City, Santiago, or any other city with a distinct South American flavor. If Buenos Aires was a lady, she would be a French aristocrat, just a little past her prime but with a wealth of experience and with a twinkle in her eye. The city has a distinct Parisian feel, not surprising when you find that, in its heyday, the architects for a large proportion of city buildings had been brought out from Paris to replicate the ambiance of that city.

Today, Buenos Aires is a little run-down at the edges, mainly because of the economic mismanagement from the time of Peron. But Argentines are a resilient lot and like to live well. The impression is that things are picking up and that those who will visit Buenos Aires a decade or so down the line will see a city restored to its former glory.

Portenos (people of the port), as citizens of Buenos Aires call themselves, joke that Mexicans came from the Aztecs, Peruvians from the Incas, and Argentineans from the migrant ships that brought their ancestors from Europe. The average Porteno's greatgrandparents are likely to have been English,

Italian, Spanish or German rather than South American Indian.

When these Europeans first settled in Argentina and brought their cattle with them, the latter thrived on the rich grasses of the Pampas. No hormone shots or special feeds have ever been necessary to make Argentine cattle the superb animals they are. The combination of bounties that nature provided -- good feed, good climate, plenty of water and wide, open spaces -- did it all. The result is some of the finest beef in the world. And nowhere will you find bigger, better, juicier, tastier and more tender steaks than in the top Parrillas (steak houses) of Buenos Aires.

### Dining in Buenos Aires

Naturally, there are fine French and International restaurants in Buenos Aires. Undoubtedly the very best of these has the rather unusual name of "The Dining Room in the Mansion" The Mansion is an exquisite, French-style building that had been the home of one of Argentina's elite land-owning families. Recently it has been made part of the adjoining Park Hyatt Buenos Aires, the city's newest and finest hotel.

The dining room is decorated in dramatic French-Rococo style with high ceilings, warm oak paneling, a large, open fireplace and original parquet floors. Unique silver and antique tableware combine with the decor to create an air of elegant splendor. The restaurant offers cuisine that would honor any of the



top Paris restaurants and the people who enjoy it are the likes of Argentina's President Menem or Kerry Packer, the Australian megamillionaire who comes to Buenos Aires to cheer on the leading polo team he owns there. International bankers, Argentina's top Industrialists and their international counterparts and leading Heads of State dine here while in Buenos Aires.

Around the corner from the elegant Park Hyatt is another clutch of restaurants at La Recova-Posadas. Some, like Piegari, are new. Others, like Harpers, are branches of restaurants in the suburb of Recoleta, the other area of B.A. where society Portenos frequent, not only for the excellent cuisine offered there, but also to see and be seen.

The Recoleta strip along the Plaza Roberto M. Ortiz has charming Parisian style restaurants with indoor and outdoor sections, the latter for alfresco dining in warm weather. The best-known of these is probably El Gato Dumas, whose flamboyant owner-chef is one of the best -- and best-known -- in the city. Dumas has a high exposure, with television appearances that make his face familiar to Argentines. When the country's excellent national airline, Aerolineas Argentinas, wanted to offer the best possible inflight cuisine, it was Carlos "Gato" Dumas who created their world-class inflight menus.

His cuisine at Gato Dumas, like those of Harpers and Piegari, is French with a strong Argentine influence. And a few doors from his restaurant you will find the Cabana Las Lilas, a classic Argentine steak restaurant that is a superb introduction to this country's wonderful beef.

### The Steaks

Argentina may be a vegetarian's nightmare, but it is heaven for dedicated carnivore. No diner would accept anything but a superb steak, and even French-style restaurants could not survive if a thick, tender, juicy and perfectly-cooked fillet was missing from the menu. Apart from Las Lilas, the four most famous Parrillas in Buenos Aires are La Chacra on Ave. Cordoba 950, the Restaurant 9 de Julio, on Av. 9 de Julio, Las Nazarenas, Reconquista 1132, Retiro and La Nueva Rurale, Suipacha 453.

A good Parrilla also has an Asador -- an open fire of glowing coals around which a number of vertical metal crosses hold carcasses of goat, lamb and pork meat. These slowly rotate to get the most benefit from the glowing embers, and the chefs, usually in gaucho outfits, will come over from time to time to slice off portions as they are ordered by the customers. The La Chacra restaurant is very representative of such Parrillas and offers the very best of this sort of classic Argentina fare.

Just to accentuate the fact that it is a Steak House par excellence, diners must share the entrance of the restaurant with an enormous stuffed bull. Opposite, in

a glassed-in enclosure, the restaurant's Asador faces the street for optimum effect. Decor is rustic Argentine, with a dash of kitsch. Huge deer heads and boar are mounted around the walls, though La Chacra does not serve venison or wild boar.

South Americans dine very late, with international-style restaurants generally not opening until 8 or 8:30 p.m. and diners often arriving as late as 9 or 10 p.m. and finishing around midnight or later. But a few Parrillas like La Chacra are open right throughout the afternoon and one suspects that many a large contract is finalized over these establishments' magnificent steaks.

A typical Parrilla meal will begin with Empanadas -- small, meat-filled pastry pockets that are the traditional starters. A bewildering choice of side-salads then accompany the grills. For those who have searched in vain to find a really first class salad in a European city, those available in the better parrillas of Buenos Aires will be a joy for eye and palate. At La Chacra the selection is enormous --- 24 varieties to choose from --- ranging from Einstein (beetroot, apple, hearts of palm, almonds, vinaigrette with cream and herbs) to Alexandra (lettuce, grapefruit, pear, apple, orange, grapes, celery, nuts with mayonnaise and cream.)

What often confuses visitors trying to select a meat course is that the local cuts may differ greatly from those found at an American, Asian or European butcher. Here is the code-breaker which will allow you to understand the strange, romantic-sounding names on the Parrilla menu.

The finest cut of beef, and likely to be the highest priced -- though ridiculously inexpensive by international standards -- is Bife de Lomo which equates to Eye Fillet. The most popular cut is Bife de Chorozo, a steak cut off the rib and somewhat similar to Sirloin or Porterhouse. T-bone steak has its equivalent in Bife de Costilla, and is generally enormous. Rib Roast, known as Tira de Asado, is the second most popular cut with Portenos. When grilled on the spit, this cut will be thick and short, if cooked on the char-grill it will be thinner and longer.

Cheaper cuts not generally used for roasting in other countries -- shank, brisket or chuck -- produces a budget-priced steak known as Churrasco. It is inexpensive, yet tasty. The Parrillas will also offer grilled chicken (pollo), pork (Cerdo), kidneys (Rinones), sweetbreads (Mollejas), and a marvelous Argentine sausage called Chorizo. Ask for your beef "bien hecho" if you want it well done, "al punto" if you prefer it medium and "poco hecho" if you like it rare. The bottom part of sirloin porterhouse is known as "vacio" and the flank is called "matambre." Fish is also frequently available at some of the better restaurants. Portenos also like offal and most menus feature lamb's testicles (creadillas), intestines (chinchulines) and udder (ubre).



## The Wines

No grill in Argentina is complete without a bottle of this country's magnificent red wine. Most outsiders think of Chilean wines when South America is mentioned. Few realize that Argentina is the fifth largest wine producer in the world.

And there are some spectacularly good Argentine wines. The French winemaker Moët & Chandon have a large winery, Bodega Chandon, in Argentina. It produces under the labels of Comte Valmont, Comte Beltour and Clos du Moulin, their top wine. Other producers are Bodega Bianchi, Bodega Torino, Bodega Lopez, Bodego Suter and Bodego Toso. They all make very good reds and quite passable whites.

The main reason why Argentine wines are only just beginning to appear on international markets is that, with an average wine consumption of around a whopping 60 liters per head annually, there has been little surplus for export. Portenos say that it is hard to find a really bad local red wine in the "vino de mesa" and "vino fino" classifications and international experts tend to agree with this. The "vino comun" is the bottom end of the market which those who are not completely familiar with local wines are advised to leave well alone. Keep to "vino fino" and you won't be disappointed.

In Argentina the same basic rule applies as in Europe -- a varietal red wine (vino tinto) has to contain a minimum of 80% of the grape named. White wines must be made totally from the grape named on the bottle. Blends are prohibited unless clearly stated on the label.

The most popular grape varieties grown in Argentina are Cabernet Sauvignon, Chardonnay, Riesling, Merlot, Chenin Blanc, and Malbec. Most of the better Argentine wines come from the province of Mendoza, desert flatlands in the foothills of the Andes that are irrigated from melting snow. While the grape varieties are European, the weather and soil conditions give the Argentine wines a very special quality. Saint Felicien, a superb Cabernet Sauvignon in numbered bottles from Mendoza would rate highly at any dinner table and is another one the visitor should find interesting.

### The Glasers Recommend

Buenos Aires is one of the world's great cities and has style, charm, and marvelous things to see and do. The gourmet, too, will not be disappointed. Chances are that, after a visit to one of the famous B.A. Parillas, the Bife de Lomo eaten there will become the benchmark by which all other steaks are judged.

### To Get to Buenos Aires

Aerolineas Argentinas operate an excellent service from U.S.A., Australia and Europe to Buenos Aires. If you are planning to go to the wine region of Mendoza, buy this sector as an add-on. Aerolineas also offers an Argentina pass ticket which must be purchased before departure, but gives you an excellent opportunity to visit such places as Iguassu Falls, the Glaciers at Calafate, and Ushuaia in Tierra Del Fuego. A South



America pass is also available. Check with your travel agent.

### Best Time to Go

Remember seasons are antipodean and similar to those of Australia. If you are going to the far south of Argentina, we recommend November to January. Otherwise anytime from October to May is pleasant and warm, and will show you Buenos Aires at its best.

### Money

Major credit cards, especially VISA, are accepted in most Buenos Aires stores, though some small country establishments may be reluctant to accept credit cards. The new Argentine currency is tied to the U.S. dollar, and travelers checks in that currency are accepted everywhere.

### What to Bring

Loose, comfortable clothes, and 16 rating or over sunscreen and a wide-brimmed hat if you are planning to travel south. Remember this is the area of the Ozone hole -- not at all dangerous but take adequate precautions against sunburn. Also take twice as much film as you think you will use. Argentina is a very photogenic country.

ooo



# Presidente Lagos: Hoy Digo Que Chile Tiene Que Estar En La India Y Va A Estar

El Jefe de Estado destacó esta mañana en Nueva Delhi la suscripción de un acuerdo marco que permita iniciar las conversaciones para un tratado de libre comercio entre ambos países.

En este sentido, valoró además el hecho de que a partir de esta visita de trabajo se puedan reforzar el intercambio cultural, científico y tecnológico.

El Presidente de la República, Ricardo Lagos, aseguró hoy en Nueva Delhi que "así como algunos años atrás dijimos que Chile tenía que estar en China y está, hoy digo que Chile tiene que estar en la India y va a estar".

En la capital india, el Mandatario se reunió con su homologo y con el Primer Ministro de ese país y autoridades de ambos países suscribieron un acuerdo marco que apunta a establecer las bases para un tratado de libre comercio entre nuestro país y la India, una de las economías emergentes más importantes del mundo.

Luego de mantener un encuentro con más de 200 empresarios indios con quienes conversó respecto a las diversas alternativas de inversión en Chile, el Mandatario visitó acompañado por el canciller, Ignacio Walter, el museo del líder pacifista Mahatma Gandhi.

Tras recorrer el lugar, el Jefe de Estado resaltó que "Gandhi inspiró a la India, pero Gandhi también inspiró al mundo y creo que es un privilegio haber llegado hasta acá y poder caminar por el sendero que caminó Gandhi por primera vez, en la convicción que la intolerancia, a la larga, tiene que ser derrotada. Y en este siglo XX que comienza con signos tan claros de fundamentalismo, uno dice ojalá nos inspiremos en Gandhi".

Agregó luego que "la India es un gran continente. Chile se juega su futuro si somos capaces de entrar al mundo y entrar al mundo también significa entrar a la India", dijo. Añadió además que esa es la razón por la cual viajó al país asiático acompañado de los ministros de Agricultura y Educación, además de una delegación compuesta por 60 empresarios que se encuentran explorando posibilidades de negocios en el lugar.

En ese contexto, las autoridades de ambos gobiernos suscribieron un acuerdo marco de cómo tiene que ser un tratado de libre comercio con la India "estamos dando un paso en una dirección pero tenemos también que tener cooperación, tenemos que tener un intercambio científico cultural, tenemos que tener un avance en biotecnología y eso es lo que yo espero que se pueda concretar a partir de este viaje".



# Gobiernos De Venezuela E India Emitieron Declaración Conjunta

Se acordó que la primera reunión de la Comisión Conjunta para identificar las áreas de cooperación en diversos sectores se realizará tan pronto como sea posible en una fecha acordada mutuamente

Los gobiernos de la República Bolivariana de Venezuela y de la República de India emitieron una Declaración Conjunta con la que se cerró la escala en Nueva Delhi de la visita del Presidente Hugo Chávez a la India.

La Declaración Conjunta destaca que "por la invitación del Presidente de La India, el Excelentísimo Señor Presidente de la República Bolivariana de Venezuela, Hugo Chávez Frías, se encuentra realizando una visita de Estado a La India, del 4 al 7 de marzo de 2005", y precisa que. "esta es la primera visita bilateral realizada por un Jefe de Estado venezolano a La India".

También resume las actividades oficiales del mandatario venezolano en Nueva Delhi, que incluyó reuniones con el Presidente de La India, Abdul Kalam; con el Primer Ministro, Manmohan Singh; con el Ministro de Asuntos Exteriores, Shri K Natwar Singh; y con el Ministro de Petróleo y Gas Natural, Shri Mani Shanker Aiyar.

Además la Declaración Conjunta resume la firma de los siguientes Acuerdos, Memorados de Entendimiento y Cartas de Intención en el marco de esta parte de la visita a India: Memorado de Entendimiento para el Establecimiento de una Comisión Mixta; Acuerdo para la Cooperación en el Sector de Hidrocarburos; Memorando de Entendimiento para la Cooperación en Biotecnología; Memorando de Entendimiento para la Cooperación en Tecnología y Ciencia Espacial; Memorando de Entendimiento entre PDVSA y ONGC Videsh Ltd para el Desarrollo de Proyectos de Exploración y Producción Conjuntos de Petróleo y Gas en la República Bolivariana de Venezuela, y su respectivo Acuerdo de Confidencialidad; y Carta de Intención entre el Instituto Autónomo Ferrocarriles del Estado (IAFE) y la empresa del sector publico adscrita al Ministerio de Vías Férreas de la India (IRCON).

Los gobiernos de ambas naciones acordaron, a través de la Declaración Conjunta, que la primera reunión de la Comisión Conjunta para identificar las áreas de cooperación en diversos sectores se realizará tan pronto como sea posible en una fecha acordada mutuamente.

Por otro lado, el gobierno de India "acordó compartir experiencias y tecnología con Venezuela en varias áreas, incluyendo Ciencia y Tecnología, Salud,



Vivienda de bajo costo, Agricultura, Tecnología de la Información y Planes de Alivio de la Pobreza".

La Declaración Conjunta señala, además, que las altas autoridades de ambos países tuvieron la oportunidad de intercambiar puntos de vista en asuntos de interés común, regionales e internacionales, y expresa que "acordaron trabajar juntos en foros tales como Grupo de Los No Alineados, G-15, G-77, Naciones Unidas, Organización Mundial del Comercio, etc. Ambas partes enfatizaron la necesidad de revitalizar el Movimiento de Los Alineados de manera que emerja como un gran bloque en el mundo multipolar, que sea participativo, pragmático y una voz seria de los países del Sur".

La ocasión fue propicia también para que los gobiernos de India y Venezuela reiteraran "la importancia de la Carta de las Naciones Unidas, así como los principios del marco legal internacional para la preservación de la paz y la seguridad internacionales". En tal sentido, la Declaración Conjunta precisa que "ambas Partes coincidieron en la urgente necesidad de realizar reformas en las Naciones Unidas, así como en la expansión del Consejo de Seguridad para adecuarlo a las nuevas realidades internacionales".

Finalmente, se indica la voluntad expresada por el gobierno de Venezuela en cuanto a su apoyo a la candidatura de La India como miembro Permanente del Consejo de Seguridad de las Naciones Unidas.

♦♦♦



En el marco de la visita del Presidente Chávez a Nueva Delhi

## Plan Ferroviario Nacional Recibirá Impulso Con Suscripción De Carta Intención Para Desarrollar Esta Area

La empresa Ircon International Limited (Ircon), ofrece su capacidad industrial y experiencia en la ejecución y desarrollo de obras ferroviarias y en otras áreas de infraestructura poniendo a la disposición una mayor transferencia e intercambio tecnológico en materia ferroviaria.

Para la futura ejecución de proyectos en el área ferroviaria, basado en un amplio espectro de asistencia y cooperación, Venezuela e India suscribieron una Carta de Intención para los trabajos de modernización, electrificación y construcción de vías férreas correspondientes al Plan Ferroviario Nacional.

La suscripción correspondió al Instituto Autónomo Ferrocarriles del Estado (IAFE), de la República Bolivariana de Venezuela y a Ircon International Limited (Ircon), empresa del sector público adscrita al Ministerio de Vías Férreas del Gobierno de la República de la India.

La concepción del documento parte del fundamento de que "el desarrollo y la ejecución del Plan Ferroviario Nacional de Venezuela es esencial y prioritario para

fortalecer programas de desarrollo económico, industrial y social en todo el territorio" nacional.

Además permite "integrar las regiones periféricas dentro del país, lo cual fomentará el desarrollo de espacios complementando y reforzando, de manera fluida, la red inter-modal de transporte para el traslado efectivo de cargas y pasajeros".

Ambas empresas estatales manifestaron su convicción de establecer una relación "basada en la equidad y beneficio mutuo", que posibilite "unir las ventajas y potencialidades competitivas y comparativas entre entes públicos y privados de ambos países en aras de facilitar el desarrollo, la transferencia tecnológica y la capacitación de mano de obra tecnificada, buscando así la interrelación entre las naciones con la finalidad principal de promover su desarrollo".

En el texto se expone que con "la ejecución de nuevas redes ferroviarias se abren rutas de acceso para impulsar y promover nuevas alternativas y oportunidades de desarrollo Endógeno regionales y apoyar a la desconcentración de la población en el territorio nacional".

Por su parte, según indica el documento, la "empresa IRCON International Limited ofrece su capacidad industrial y experiencia en la ejecución y desarrollo de obras ferroviarias y en otras áreas de infraestructura poniendo a la disposición una mayor transferencia e intercambio tecnológico en materia ferroviaria entre los gobiernos de Venezuela y de la India. Adicionalmente contribuirán a la generación de grandes fuentes de empleo directo e indirecto en nuestro país".





## COOPERACIÓN EN BIOTECNOLOGÍA MÉDICA, AGRÍCOLA, DEL AMBIENTE Y PARA LA PROTECCIÓN DEL CONOCIMIENTO TRADICIONAL

Con el propósito de facilitar y ampliar oportunidades de cooperación entre Venezuela e India en el área de Biotecnología para el beneficio mutuo de ambos pueblos, Caracas y Nueva Delhi suscribieron un Memorandum de Entendimiento en el Área de Biotecnología entre el Ministerio venezolano de Ciencia y Tecnología y el Departamento de Biotecnología del Ministerio indio de Ciencia y Tecnología.

Los dos gobiernos reconocen que la cooperación científica y tecnológica contribuye a mejorar el desarrollo de la humanidad y los recursos económicos de ambas naciones. Igualmente, destacan que actualmente las dos naciones se dedican a la investigación y desarrollo de actividades en áreas de común interés y la participación en otras investigaciones y actividades de desarrollo con fundamento en el beneficio mutuo.

El documento consta de nueve articulados: Definiciones; Objeto y modalidades de la cooperación en Biotecnología; Principios, referidos al beneficio mutuo y acceso recíproco a las actividades de investigación, entre otros; Áreas de cooperación; Presentación de propuestas; Ejecución del Memorandum de Entendimiento; Financiamiento; Dudas y controversias y entrada en vigencia y terminación.

Según el texto, las actividades conjuntas previstas en el Memorandum de Entendimiento comprenden: El intercambio de información científica y tecnológica; la conducción de investigación a través de colaboración institucional; el intercambio científico y de expertos técnicos; el entrenamiento de investigadores jóvenes; la celebración de congresos y reuniones, y otras formas de cooperación científica y tecnológica.

Las principales áreas de cooperación son: Biotecnología Médica, Biotecnología Agrícola y Áreas Afines; Biotecnología del Ambiente y Áreas Afines; Políticas para la Protección del Conocimiento Tradicional y cualquier otra área específica identificada a través de la consulta mutua.

La implementación y ejecución del Memorandum de Entendimiento corresponde al Ministerio de Ciencia y Tecnología de la República Bolivariana de Venezuela y al Departamento de Biotecnología del Ministerio de Ciencia y Tecnología de la República de India.

Este instrumento "entrará en vigor a partir de la fecha de su firma y permanecerá vigente por un período de cinco (5) años prorrogables automáticamente por igual lapso, a menos que cualquiera de Las Partes notifique a la otra, por intercambio de notas su voluntad de ponerle término".



### GOBIERNOS DE VENEZUELA E INDIA CREARÁN COMISIÓN MIXTA DE ALTO NIVEL Cancilleres firmarán Acuerdo para dar nuevo impulso a la cooperación e integración entre ambos países

Los gobiernos de la República Bolivariana de Venezuela y de la República de India suscribirán un Acuerdo para el establecimiento de una Comisión Mixta de Alto Nivel, en el marco de la visita del Presidente Hugo Chávez a Nueva Delhi, que comienza este próximo viernes 4 de marzo.

La Comisión estará presidida por el Ministro de Relaciones Exteriores de Venezuela y el Ministro de Asuntos Exteriores de India, y tendrá como propósito incrementar el conocimiento y la confianza recíproca, así como ampliar constantemente la colaboración entre ambos Estados sobre la base de la cooperación mutua.

La Comisión Mixta de Alto Nivel se planteará además el fortalecimiento de las relaciones bilaterales entre Venezuela e India en áreas de interés común incluyendo la cooperación política, económica, científica, tecnológica y cultural. De esta forma, el

Acuerdo enfatizará el objetivo de dar un nuevo impulso a la cooperación e integración entre ambos países.

El Acuerdo, que firmarán los Cancilleres de Venezuela, Alí Rodríguez Araque, y de India, Natwar Singh, perseguirá la exploración de posibilidades y medios para promover las relaciones entre las empresas comerciales e industriales de los dos países, con el objetivo de promover el intercambio bilateral.

La Comisión binacional responde a la necesidad de ambas naciones de profundizar y ampliar los vínculos de amistad entre sus pueblos, a través de nuevas formas de cooperación, asimismo persigue beneficios derivados del diálogo de alto nivel gubernamental como mecanismo para identificar proyectos y propiciar la cooperación entre los dos países.





## Discurso del Embajador de la India, Excmo. Dr. Bhaskar Balakrishnan - 45 Aniversario del establecimiento de relaciones diplomáticas India-Cuba

Deseo agradecer al ICAP y a todas las organizaciones cubanas que han organizado este encuentro hoy, y a todos ustedes por su presencia. Quiero también desearles a todos un feliz año nuevo y todo lo mejor para el futuro.

Estamos celebrando el cuarenta y cinco aniversario del establecimiento de relaciones diplomáticas entre la India y Cuba el 12 de enero de 1960. Esto marca sin dudas un hito en nuestras relaciones y, al mirar atrás a estos años, hay muchos eventos importantes que merecen recordarse.

La India fue uno de los primeros países en reconocer al nuevo gobierno revolucionario de Cuba en 1959. Poco después, el Comandante Che Guevara realizó una visita a la India en julio de 1959, durante la cual se reunió con el Primer Ministro Jawaharlal Nehru. Después de eso nuestros países avanzaron hacia el establecimiento de las relaciones y la Embajada de la India en México fue acreditada en Cuba. En 1960 el Primer Ministro Nehru se reunió con el Comandante Fidel Castro en la 15 Sesión de la Asamblea General de las Naciones Unidas. La India abrió su primera Embajada en la Habana en 1960, encabezada por un Encargado de Negocios. En 1972 Cuba elevó su representación en Delhi a nivel de Embajador y la India hizo lo mismo en La Habana en 1974.

Nuestras relaciones han progresado continuamente a lo largo de los años. El Presidente Castro visitó la India en 1973, aunque su visita se vio acortada debido a la crisis causada por el derrocamiento de Allende, Presidente de Chile. Nuevamente en 1983 el visitó la India para la Cumbre de los No Alineados en Delhi. El Primer Ministro de la India Rajiv Gandhi visitó Cuba en 1985. Además, nuestros líderes han sostenido encuentros durante diversas cumbres internacionales, incluyendo las Cumbres de los Países No Alineados en Durban y en Kuala Lumpur. A otros niveles ha habido muchos intercambios de visitas de Ministros, altos funcionarios y representantes de partidos políticos, incluyendo los Partidos Comunistas de la India y Cuba.

Nuestras relaciones se han fortalecido por una serie de acuerdos bilaterales que abarcan sectores diversos. En 1979 se firmó un Acuerdo Comercial, en 1976 un

Acuerdo Cultural, y en 1978 un Acuerdo para la Cooperación en Ciencia y Tecnología. Un Acuerdo para la Cooperación en usos pacíficos de la Energía Atómica fue firmado en 1985 y está siendo renovado. En 1989 se estableció una Comisión Mixta, que se ha reunido de manera regular, la más reciente en Delhi, en Noviembre del 2003. Se han realizado regularmente consultas oficiales anuales a nivel de Viceministros entre los dos Ministerios del Exterior. Por otra parte, se han concluido protocolos, planes de trabajo y memorandos de entendimiento en diversos campos, tales como Agricultura, Deportes, Energía Renovable, Ciencia y Tecnología, Normalización, etc.

El Programa Indio de Cooperación Técnica y Económica (ITEC) con Cuba se ha expandido significativamente. De las iniciales 10 becas anuales ha aumentado hasta treinta y ocho este año. En 1995 se estableció una planta solar de 10kW en un pueblo de Santiago de Cuba. La cooperación en la biotecnología ha crecido, mostrando las compañías indias gran interés en la tecnología cubana. Se han creado dos empresas mixtas. CIM y Biocom, una de las principales compañías de la biotecnología en la India han formado una fuerte asociación y pronto los productos cubanos contra el cáncer estarán en el mercado indio.

Los intercambios comerciales, que habían decaído durante el período especial, se están recuperando paulatinamente. Nos complace ver que la economía cubana se fortalece y diversifica. Celebramos el progreso en sectores tales como el turismo, el petróleo, el níquel y la biotecnología. La economía de la India también se ha fortalecido con los años y muestra una tasa de crecimiento superior al 6 % guante los últimos años. Las reformas económicas han hecho que muchos de nuestros sectores sean más competitivos y se ha incrementado la afluencia de inversiones. La exportación de servicios, especialmente en la Informática, ha crecido grandemente. Estos desarrollos redundarían en más oportunidades de asociaciones entre entidades cubanas e indias en el futuro.

La cooperación en áreas tales como deportes, salud y cultura, ofrecen posibilidades prometedoras. Los

entrenadores cubanos llevan varios años trabajando en instituciones indias. En la salud, se han realizado algunos intercambios entre centros de investigaciones médicas de ambos países. El cine, la música, la danza, la literatura y las artes plásticas son todas áreas en las que los intercambios serían de beneficio mutuo.

En la esfera multilateral, tenemos puntos de vista comunes sobre muchos temas claves. La India y Cuba han trabajado estrechamente para fortalecer el Movimiento No Alineado. Cuba fue sede de la cumbre en 1979 y la India de la cumbre en 1983. La Primera Ministra Indira Gandhi y el Presidente Castro tenían gran afinidad y trabajaron estrechamente durante esos años. La India y Cuba fueron miembros del grupo de cuatro países No Alineados que trataron de poner fin al conflicto Irán-Irak. Nuestros dos países han trabajado para ayudar a los países africanos a expulsar el colonialismo y comparten el deseo de trabajar por el progreso y desarrollo de África. De forma consistente la India ha apoyado en las Naciones Unidas las resoluciones para poner fin al embargo económico de los Estados Unidos contra Cuba. La India también ha votado contra las resoluciones contra Cuba en la Comisión de Derechos Humanos de la ONU.

Hoy tenemos muchos retos ante nosotros. La ONU requiere ser reformada y revitalizada y el Consejo de Seguridad necesita ser ampliado tomando en cuenta el vasto incremento en la membresía desde 1945. El marco de trabajo de las Naciones Unidas fue adoptado en 1945 cuando el mundo era completamente diferente. Debe ser revisado para tomar en cuenta las realidades de hoy. El sistema global financiero y comercial no satisface las necesidades de los países en desarrollo. Enfrentamos muchos problemas globales, tales como la destrucción del medio ambiente, el brote de enfermedades, los desastres naturales, el calentamiento global, el terrorismo y el crimen organizado, evitar el uso dañino de las tecnologías, etc. Los conflictos y las guerras continúan infligiendo pérdidas. Los recursos energéticos fósiles se agotan rápidamente mientras aumenta la demanda de energía.

El sistema internacional hoy está marcado por el dominio de un solo gran estado, pero la solución de los principales temas globales requiere de la cooperación de un gran número de estados y pueblos. Hay una tendencia hacia la fragmentación de las estructuras estatales, así como hacia un flujo más libre de las finanzas, la información, la tecnología, los bienes, servicios y personas. Los actores no estatales ejercen cada vez más una influencia considerable, tanto positiva como negativa. El mero dominio militar en el sentido tradicional ya no garantizará la seguridad y el progreso sostenibles. Las sociedades con diversos valores y patrimonios necesitan desarrollarse e interactuar de manera sana y constructiva. El desafío es fortalecer las estructuras para la cooperación internacional constructiva, resolver los conflictos y disputas, y concentrar nuestros esfuerzos y recursos para el progreso de la humanidad. Estoy seguro que en el futuro, la India y Cuba jugarán su papel en este noble empeño.



## Venezuela E India Firman Memorandum Para Desarrollar Proyectos De Petróleo Y Gas

Las estatales petroleras de India y Venezuela deberán conformar en corto plazo una Comisión de Trabajo que se encargará de conceptualizar, definir y diseñar las condiciones generales de los proyectos.

PDVSA y ONGC Videsh LTD, compañía petrolera estatal de India, suscribieron un Memorandum de Entendimiento para el Desarrollo de Proyectos de Exploración y Producción Conjuntos en Petróleo y Gas en la República Bolivariana de Venezuela.

El instrumento se fundamenta en que ONGC Videsh LTD está interesada en desarrollar un Proyecto conjunto de exploración, evaluación y estudios, producción, mercadeo y mejoramiento de crudo con PDVSA, en Venezuela, para lo cual dispone de tecnología de punta y de los recursos financieros, técnicos y humanos requeridos.

En tal sentido, las partes acordaron suscribir el presente Memorandum para iniciar las conversaciones y negociaciones necesarias, a fin de adelantar la obtención de las autorizaciones y aprobaciones requeridas para establecer las condiciones generales que regirán la conceptualización, definición y diseño de los proyectos.

Las estatales petroleras de India y Venezuela deberán conformar en corto plazo una Comisión de Trabajo que se encargará de conceptualizar, definir y diseñar las condiciones generales de los proyectos. En alcance a este Memorandum, PDVSA y ONGC Videsh LTD también firmaron un Acuerdo de Confidencialidad para el tratamiento de la información y la documentación relacionada con estos proyectos.

Expresamente, las partes señalaron que los proyectos deberán ajustarse a lo previsto en la Ley Orgánica de Hidrocarburos y demás leyes aplicables, y, en tal sentido, tanto estos como el diseño de la entidad jurídica ejecutora del mismo deberán ser sometidos a consideración del Ministerio de Energía y Petróleo y de la Asamblea Nacional.

Además, las empresas petroleras se comprometieron a trabajar para llevar a cabo las conversaciones y negociaciones en el menor tiempo posible en razón de que reconocen que el tiempo de negociación es factor fundamental en la realización de todo negocio.





# Amores Perros - The Mexican film that **won awards & critics'** hearts

*Love's a Bitch* (*Amores Perros*), has had rave reviews all over the world and has won awards in more than 12 festivals worldwide. The most prestigious are an Oscar Nomination for Best Foreign Film, a Golden Globe Nomination and Winner of the Cannes Critics Week 2000.

The director/producer Alejandro Gonzales Inarritu (1963) was a radio DJ and made numerous commercials before he embarked on *Amores Perros*. Some critics compared his film immediately with Quentin Tarantino's *Pulp Fiction*, but the only thing they have in common is the non-linear three part structuring of their films. Inarritu's film is strongly rooted in Mexican urban life, whereas Tarantino's films are populated by one dimensional comic book characters.

The film has three major stories, of which the main characters are all involved in the same bloody car crash. First there is Otavio (very well played by Gael Garcia), an intense teenager who is in love with his brother's wife, Susanna (Vanessa Bauche) and can't stand how brutally he treats her. He has a Rottweiler called Cofi, which he uses in illegal dogfights to make some money. He plans to save some for taking Susanna with him one day.

In a dogfight a jealous opponent shoots his dog and Octavio stabs him with a knife. He jumps in the car and crashes. His friend is killed, he and Cofi are heavily injured.

This sounds all very violent and bloody and the dogfights and especially the car crash, which appears three times, is really graphically filmed, but cut sharply and never gratuitous. Inarritu never indulges in the violence, like Tarantino does, but shows it realistically and cuts as soon as possible to the next scene.

The second story is about a pretty blonde super model Valeria (Goya Toledo) who just started an affair with her married lover. She gets involved in the car crash and breaks her leg really badly. On top of that when she comes out of hospital her favourite fluffy dog,

Richie, gets lost under the floorboards of the apartment. Her leg gets seriously infected and has to be amputated. In a heart breaking scene, she comes home and looks out of the window where a gigantic poster of herself advertising a perfume used to hang on the wall. Now it says: space available.

The third story is about an old down and out hit man, impressive Emillio Echevarria, who lives in a grotty house with his dogs. He is just about to kill another dodgy young business man, when he witnesses the car crash. He sees that Octavio is looked after, but the heavily injured dog Cofi is left on his own at the side of the road. He takes the dog home and helps him recover.

This powerful and raw film was almost forbidden here, because of the gritty dogfights. In the beginning it says in a text that no dog was injured during filming, it's all clever editing and sound effects.

Director Inarritu states:

"*Amores Perros* is a film in which there's a dialogue between different social classes, in which you are not faced simply with good guys and bad guys, down-and-outs or yuppies. The broth is richer. Characters are

multi-dimensional, which makes it difficult to make definitive judgment on them or their actions."

What makes *Amores Perros* such a terrific film is the perfect balance between the style and content, combined with spot on casting in all parts, not just the major ones.

Handheld energetic camera work, with lots of exquisite close ups of great faces, combined with a high voltage story line, with characters who all have a certain beauty, (except Octavio's brutal brother), and complexity. All of them suffer a lot and Inarritu's excellent cameraman, Rodrigo Prieto, follows them around very closely, you get really involved and care about them. *Amores Perros* is one of those rare films, whose gripping images whirlwind in your mind long after the last credits. The critics are right this time: go and see it!!!

