

**INTERVIEW GIVEN BY AMBASSADOR OF INDIA TO THE FINANCIAL EXPRESS,
NEW DELHI**



What are the new avenues for economic and commercial cooperation between the two countries? According to you, what are the untouched and gainful areas where the two countries can work in partnership?

The Netherlands, a founding member of the EU, is an important economic partner of India. With four centuries of trading relations between the two countries, today it has the fourth highest investment in India. Total trade between India and the Netherlands has shown a growth of over 101.6% in the period 2000-2006 and is continuing to grow at a robust rate annually.

The Dutch giant Philips has been in India since after World War I, and by 1970s, it could claim that it reached places in India that even the Indian Railways did not touch. Hindustan Lever is an offshoot of the Dutch giant Unilever and ABN Amro is a successor to the Netherlands Trading Company, established in Kolkata since 1927. Royal Dutch Shell has long been a major presence in India. Philips, a household name in India for consumer electronics, today has its largest overseas software development R&D centre in Bangalore. Amongst the biggest Dutch success stories in India are the big three of Dutch banking – ABN Amro, ING and Rabobank.

Bilateral trade has crossed € 2.7 billion mark in 2006. At present, 20 product groups account for nearly 80% of Indian exports, of which textile fabrics and textile goods continue to be the main component (23.38%), followed by electrical machinery equipment (15.15%), mineral fuels and oil, chemicals and related products, edible nuts, iron and steel products and transport vehicles.

Both countries have a genuine political will to expand bilateral economic cooperation. The Netherlands has great expertise in agro-technology and floriculture; water management; environment and spatial management; logistics including ports and highways/inland water transportation. The Dutch, on their part, view India as a growing market where they need to expand their traditional multilateral presence with the entry of small and medium enterprises with niche technologies in major areas of its expertise and capabilities. Besides trade and investment, they are also looking to India for knowledge workers to enhance Dutch competitiveness and innovation for economic regeneration.

We have taken significant steps to identify new areas of cooperation. We are now working to develop a long term partnership in the new avenues for economic and commercial cooperation in the fields of ICT, biotechnology; agriculture and food processing, urban water and solid waste management, inland water transport; dredging; ship building; port development; infrastructure; environment; oil and gas etc.

According to you what steps can facilitate the investments by Indian businessmen in the Netherlands?

Given the vital role of the port of Rotterdam, from where about 40% of EU trade takes place, the Netherlands is a natural gateway to Europe for Indian businesses and would like to be viewed as the Singapore of Europe. With its attractive taxation policy, developed infrastructure, English-speaking population, investment friendly policies, logistics, technology infrastructure and its geographical location, the Netherlands is emerging as an attractive destination for Indian companies interested in establishing their businesses on mainland Europe.

In the last couple of years, the Netherlands has rapidly come in the vizier of Indian companies when they think in terms of establishing a presence in Europe. I am pleased to note that some have located their European and, of late, even their global headquarters in the Netherlands. Leading IT companies from India like TCS, Wipro, Infosys, HCL, Satyam, have a presence in the Netherlands and are now in the process of expanding their operations. An encouraging new development is the growing presence of major companies in other sectors such as Moser Baer, Safal, Suzlon and ONGC Videsh. We expect to see a further diversification in the sectoral mix of companies from India.

We have entered a new phase in our business relations with this country with Tata's acquisition of Anglo-Dutch steel giant Corus.

Certainly, it is time for Indian businesses, which meet as equals in today's globalised economy, to look at the new and diverse opportunities that the Netherlands offers. There is a tremendous interest in India at present in the Government, industry and business due to the phenomenal growth of the Indian economy. There is much untapped potential for enhanced investment and collaboration on both sides and I am heartened to see concrete initiatives in new areas. We have stepped up our business promotion and outreach efforts with the local Chambers of Commerce and Trade Associations across the country to project India's strength and capabilities in diverse areas and promote sector-specific collaborations and tie-ups.

There are, however, some issues which could have a dampening effect on trade and investment. Our message to the Dutch side is that Indian industry matches global standards in terms of management and corporate social responsibility. Corporate Social Responsibility is not new to India. The majority of our companies adhere to these principles and legislation has been adopted for most CSR standards.

It also goes without saying that the growing interest to enter this market needs to be matched by an easier Dutch visa policy for business persons from India. We are continuously engaged with the Dutch side to ensure a reasonable, predictable and transparent visa regime.

The highly skilled migrant scheme introduced by the Dutch Government since 2004 has addressed some of the concerns. Further steps to improve the movement of professional and business persons from India have been taken recently and we expect to see a further easing of visa restrictions to attract more Indian businessmen and companies in the Netherlands.

How do you see the political relations between India and the Netherlands evolving in coming years?

India attaches high importance to its relations with the Netherlands and we have a mature political and economic relationship with this country. In recent times, the two countries have come much closer, and this is as much through trade and technical cooperation as through

shared political values. The singular distinctive feature of our relations with this country is the absence of bilateral political problems which has allowed development of strong, multi-faceted relations with an increasing focus on commercial and business ties.

Through a series of bilateral visits and high level bilateral interaction we are trying to give structure, focus and direction to optimize political, economic, technical and scientific and cultural cooperation between the two countries.

The visit of H.R.H. Prince Claus of the Netherlands to India in the early 1980's was a landmark development in the intensification of bilateral relations. Recent high-level visits and exchanges during the visit of the Dutch Prime Minister, H.E. Mr. J.W. Balkenende, in January 2006, the Dutch Deputy Prime Minister and Minister for Economic Affairs, H.E. Mr. L.J. Brinkhorst, in February 2004 and subsequently in October 2005, Minister of Foreign Trade in September 2006 with a large high level trade delegation, Minister of Foreign Affairs and other high-level visits and Parliamentary delegation have sustained the momentum of close bilateral relationship. A significant enhancement is envisaged in the future.

Ambassador of India; H.E. Mrs. Neelam D. Sabharwal