

INDIA & CHINA SIGN 10-POINT PACT

HU Jintao has sealed the historic first visit by a Chinese president to India with the signing of a “10-pronged strategy” aimed at achieving a sweeping improvement in relations between Beijing and New Delhi.

The strategy takes in plans for an India-China Year of Friendship in 2007. And it features what is described as “a paradigm shift” that opens the door to possible civilian nuclear co-operation, “consistent with ... international obligations.”

Special representatives dealing with border disputes between the two countries have been instructed to work towards a final settlement “at an early date.”

Significantly, given the way the economies of the two Asian giants are growing, Mr Hu and Dr Singh have set an ambitious target of enhancing bilateral trade to \$US 40 billion - double the current level - by 2010.

Dr Singh and Mr Hu emphasised that the India-China relationship was of “global strategic significance” and said in a statement: “Both sides hold the view that there exist bright prospects for their common development, that they are not rivals or competitors but are partners for mutual benefit.”

After signing the agreements, Dr Singh said: “President Hu and I have agreed that the positive development of India-China relations in recent years must be made irreversible.” - The Australian / 23 Nov 06

“CHINA AND INDIA TO DOMINATE WORLD ECONOMY”

Western nations must prepare for a future dominated by China and India, whose rapid economic rise will soon fundamentally alter the balance of power, former World Bank chief James Wolfensohn has warned.

Wealthy countries were failing to understand the impact of the inevitable growth of the two Asian powerhouses, Wolfensohn said in a lecture at the University of New South Wales.

“It’s a world that is going to be in the hands of these countries which we now call developing,” said Australian-born Wolfensohn, who held the top job at the global development bank for a decade until last year.

Rich nations needed to try to capitalise on the inevitable emergence of what would become the engine of the world’s economic activity before it was too late, he said. “Most people in the rich countries don’t really look at what’s happening in these large developing countries,” said Wolfensohn, who is now chairman of the Citigroup International Advisory Board and also his own investment and advisory firm.

Within 25 years, the combined gross domestic products of China and India would exceed those of the Group of Seven wealthy nations, he said. “This is not a trivial advance, this is a monumental advance.”

Wolfensohn said that somewhere between 2030 and 2040, China would become the largest economy in the world, leaving the United States behind.

By 2050, China’s current two trillion US dollar GDP was set to balloon to 48.6 trillion, while that of India, whose economy weighs in at under a trillion dollars, would hit 27 trillion, he said, citing projections by investment bank Goldman Sachs.

In comparison, the US’s 13 trillion dollar income would expand to only 37 trillion — 10 trillion behind China. - Source: AFP / Nov 26, 06