

Address of the Hon'ble Shri Bhairon Singh Shekhawat, Vice President of India at the Function to Release The Document "The WTO- Road Ahead" On February 22, 2003 At New Delhi.

Hon'ble Minister of State for Labour Shri Vijay Goelji, Shri Rajiv Pratap Rudyji, Shri Bupathyji, Shri Sunil Bhargavaji, Shri Sunil Goyalji, Shri Ashok Haldiaji, Ladies and Gentlemen.

I am extremely happy to be amidst this gathering of eminent professionals who have been greatly concerned about the WTO challenges before the country. I compliment the Institute of Chartered Accountants of India for having pioneered the initiatives for creating professional awakening, facilitating identification of concerns and making comprehensive recommendations on issues relating to conduct of negotiations for various agreements of WTO and their implementation. I also congratulate the Institute's Committee on Trade Laws and WTO for bringing out the Document "Road Ahead" on the concerns of the developing nations in the WTO regime at this very opportune time. I am sure, this document will become a useful aid to all concerned stakeholders and initiate a positive debate and awareness campaign in the country.

Our world today is of Internet links, global networking, dissolving business frontiers and shrinking distances. With the death of distance the whole world now is just one globe; new ideas and knowledge at our doorstep; globalization is the reality of today and a new world order is fast emerging.

India has always been for a better world order which promotes development with equity and supports the welfare of the people. India has, therefore, supported all International efforts for multilateral initiatives in every area. India was a member of GATT since its inception, India is also one of the founding members of the WTO. India believed and recognised that growing international trade can be a powerful engine of economic growth and social development.

But why in this era of globalization, WTO has been

so very controversial? The general perception is that WTO has not been for the good. Our farmers, villagers and the artisans have been alarmed by the fear of likely adverse impact of WTO. The feeling prevails that globalization has not brought any visible economic benefits. On the contrary, there is growing divide between the haves and the have-nots; the people below the poverty line have not seen any benefits accruing to them; there is growing unemployment. Many other such adverse perceptions exist. These are undoubtedly matter of serious concern and need to be addressed urgently. But at the same time let us not just focus on the negative aspects of changing world scenario. No one can stop the impact of new technological changes. It is idle to resist change. The need is to prepare for the change and turn the challenge into new opportunities.

Globalization per se is not bad at all, and the new international trade regime that is being put through WTO agreements can be turned to our advantage. And we have got to work for that. But the foremost requirement is to ensure satisfactory and successful negotiations in the WTO. I understand that the government is on firm footing to protect our own interests and our bargaining postures in Doha and recently in Tokyo duly reflect our concerns. I am happy that India has fortified its position on crucial issues of agriculture, TRIPS and public health issues and it is becoming a natural leader for safeguarding and spearheading the interests of the developing countries.

We should, no doubt, be doing our best at the negotiating table in the WTO. But even more important is the need for urgent action to prepare our agriculture, industry and other sectors of economy to face the challenges of competition in the new emerging WTO regime. I have often heard our industry talking about the phenomenal growth of China and the tough competition Chinese industry poses to our exports. Let us try to learn

how China made its industry strong and competitive before deciding to join the WTO; how China's GDP has grown at about 10 per cent a year. A decade ago India and China had almost the same per capita income; today China's per capita income is roughly twice that of India. China produces three times more units of electricity than India; in China annual receipts from tourism are 14 billion dollars as against 3 billion dollars in case of our country. China's trade in goods and services as a percentage of GDP is 49 per cent against 30 per cent in case of India. China's annual exports are over 250 billion dollars - more than five times of our exports. My intention of drawing this comparison with China is only to highlight the need for urgent action towards making our industry strong, efficient and capable to face increasing competition in the WTO regime. Nothing prevents us from taking requisite steps in this behalf. Also nobody can tell us to stop if we were to develop and encourage tourism in a big way. Similarly, why should we be inhibited or neglect taking care of our agriculture as also the small scale sector including village industries, handlooms and handicrafts. Otherwise, small and marginal farmers, and our artisans would, under the WTO regime, be exposed to unfair competition from subsidized exports and that could undermine their livelihood security. We need to urgently take safeguard measures for protecting their interests in the new era of globalization.

Friends, I believe in globalization which was the underlying philosophy behind our ancient maxim of 'Vasudhaiva Kutumbakam' i.e. the whole world is our Parivar. In this Parivar of the world, there are poor countries as well, whose problems have also got to be addressed. Globalization should, therefore, lead to global collective action for alleviation of poverty, development of the poor and overall economic stability in the world system. I have been in public life for over fifty years and have myself experienced the misery and pains of poverty. To me, therefore, development has a meaning only if it ensures freedom from hunger, poverty, disease and disaster.

In my view, therefore, the success of the WTO would be judged by the developing countries if it helps in establishing a framework of international trade which promotes the type of growth that the developing countries are looking forward with great expectations.

Otherwise, the developing countries would perceive WTO as something which is anti-development and not in their interest, leading to raising of voices against the WTO and giving further support and credence to the concerns and anxieties of the type expressed by the former Chief Economist of the World Bank, Nobel Prize winner Joseph Stiglitz in his well known book "**Globalization and its Discontents**".

I am sure, we would succeed in our endeavour to negotiate agreements in WTO which will be to our advantage. We should be preparing ourselves to work for growth in the new WTO regime and turn the challenges into exciting opportunities of economic prosperity and social progress. Now, as never before, is the time for courage, commitment and action. I have an abiding faith and optimism in our efforts. We should be taking all necessary measures, including requisite economic reforms, thrust on science and technology and programmes for improved governance so as to achieve faster growth rate of economy and make our agriculture and industry strong enough to face the challenges of global competition. India is already on the march to progress on the strength of its rich human resource especially its competent young professionals who are academically second to none, professionally thorough and have a high sense of motivation.

Friends, you are highly qualified professionals working in every sector of economy and are spread over every part of the country. You are in a unique position to ensure that everyone remains on the right track leading to the path of progress. I am sanguine that with the combined efforts and dedication of all of you, we would be able to take care of the concerns highlighted by you and take timely steps to overcome and face the challenges and convert them into new opportunities. We are indeed poised for the take-off and a big leap forward to make India a developed nation by the year 2020. Then alone, India would achieve its rightful place in the family of developed nations. Let us all work together in this mission with dedication.

I wish you and the Institute all success in your endeavours.

Thank you and Jai Hind