

**PREPARE FOR GREATER INTEGRATION WITH WORLD ECONOMY: PM
25TH INDIA INTERNATIONAL TRADE FAIR INAUGURATED
New Delhi, November 14, 2005**

“The trend of globalization is an irreversible one. We cannot and we should not shy away from it. We must prepare ourselves for greater integration with the evolving world economy”, said Prime Minister, Dr. Manmohan Singh. Inaugurating the Silver Jubilee edition of the India International Trade Fair here today, he said, “India has to be, once again, a major trading nation. For that we need a competitive economy that works on the frontiers of scientific, technological and managerial knowledge.”

In order to become part of the emerging globalised world, the Prime Minister said that the Government is committed to bringing our tariffs down to ASEAN levels. “We are also working actively to bring the economies of South and South East Asia closer. We are on the threshold of unveiling an India-ASEAN FTA and the SAFTA will come into effect from the coming new year. Our efforts to create an Asian Economic Community and to also become members of the Asia-Pacific Economic Cooperation, keeping in mind the requirements of domestic employment and enterprise, will bring us closer to the major economies of the world”, he added.

Urging the firms to become competitive globally, Dr. Singh underlined the need to invest in research and development, managerial skills and global economies of scale. Stating that constraints to our growth are at home, the Prime Minister asserted that the Government is determined to reverse illiteracy, ill-health, low incomes, poverty, poor infrastructure – in short, the constraint of inadequate investment in people and in their capabilities. The Prime Minister emphasized the need to address major policy and implementation issues in the power and coal sector. Dr. Singh stressed the need to improve the financial condition of power distribution companies. “We need to focus on making our SEBs viable, healthy and efficient. On their health depends the investment climate in the power generation sector. I hope this matter engages the attention of all state governments as shortage of power can handicap them critically in their quest for growth”, the Prime Minister said.

The Minister for Commerce and Industry, Shri Kamal Nath, the Chief Minister of Uttaranchal, Shri N D Tiwari, the Chief Minister of West Bengal, Shri Buddhadeb Bhattacharjee, Chief Minister of Assam, Shri Tarun Gogoi, the Minister of State for Commerce, Thiru Elangovan, senior officials of the Ministry of Commerce, diplomats from other countries and others participated in the inaugural function.

The following is the full text of the Prime Minister’s address on the occasion:

“I am delighted to be here to inaugurate the Silver Jubilee edition of the India International Trade Fair. Over these 25 years, this trade fair has not only become an important event in India, but also across Asia as well. It is today, the largest exposition of its kind in Asia. The India International Trade Fairs have been projecting our country’s development during these 25 years. They have also brought the world nearer to us. I believe about 7500 enterprises from India and abroad are participating in this year’s fair. The magnitude and scale of participation from both India and abroad is evidence of the robust health of Indian economy, in particular, our industry and an affirmation of the tremendous market potential that our country has to offer to the rest of the world. I compliment the ITPO for having achieved all this in the last twenty five years and hope it does even better in the next twenty five years.

We are living in fast changing times. India is undergoing a rapid and increasingly all-encompassing process of transformation. A billion-strong society developing at its current pace in a democratic framework has no historical precedent. We are today one of the fastest growing economies in the world. Growth has averaged more than 7% in the last three years and we expect to repeat this performance in future and to improve upon it. In fact, given the young age profile of our population, our rising savings rate and the inherent dynamism among our entrepreneurs, I am confident that we will sustain, and hopefully improve upon, this rate of growth. This will enable us to rid our country of mass poverty, illiteracy, want and disease. That is the only sustainable path to deal with these ancient scourges.

While planning for India’s growth, we are taking cognizance of changes and developments taking place in the world around us. India has changed much this past twenty five years, even more so in the last decade. We are proud of the achievements of our entrepreneurs, our professionals and our workers. Indian business professionals and skilled workers are not afraid of globalisation. They are willing to test their skills and sell their wares in the wide global market. It is for us in Government to recognise this reality and pursue policies that build on their competence and strengths.

India has always been, since ancient times, the home of teachers and traders. Our merchants have traveled through centuries to distant lands and crossed the high seas, in search of markets for their goods and services. India has to be, once again, a major trading nation of the world. For that we need a globally competitive economy that works on the frontiers of scientific, technological and managerial knowledge. The trend of globalisation is an irreversible one. We cannot and we should not shy away from it. We must prepare ourselves for greater integration with the evolving world economy. In order to become part of the emerging globalised world, we

are committed to bringing our tariffs down to ASEAN levels. We are also working actively to bring the economies of South and South East Asia closer. We are on the threshold of unveiling an India-ASEAN Free Trade Area and the South Asian Free Trade Area will come into effect from the coming new year.

As markets integrate across the world, firms must become more competitive globally. To do so, firms need to be competitive. They must have the world class capabilities, based on the use of modern science and technology. They need to invest in research and development, managerial skills and global economies of scale. We will facilitate this so that India becomes the home of large scale multinational corporations of the future.

I have often said that there are today no external constraints to India's growth. The world wants India to succeed. The global community will be happy to see us participate more actively in the global exchange of goods, services, ideas and people. If at all there is a constraint, it is at home. The constraint of illiteracy, ill-health, low incomes, poverty, poor infrastructure – in short, the constraint of inadequate investment in our people and in their inherent capabilities. This, our Government is determined to reverse. We recognise that our infrastructure must be world-class for us to compete with the world. We still have a long way to go in this regard. There has been inadequate attention paid to the development of basic infrastructure of modern industrial development. This we are committed to reverse. Our roads programme has been given a new thrust; our airports and airlines are humming with fresh dynamism and creativity. Our railways are working on their version of the Golden Quadrilateral to enhance their freight carrying capacities; and our telecom sector has made us truly proud. We still need to address major policy and implementation issues in the power and coal sectors. We are also committed to massive investments in our rural areas. Bharat Nirman is our investment in the future of Village India.

The process of economic reforms initiated by us two decades ago has encouraged investment and technological up-gradation; it has strengthened the core sectors of power, communication and railways; built road linkages to remote corners of India, promoted industrial growth and exports. Our export growth in recent years, is the most heartening part of the development story and I take this opportunity to congratulate the Minister of Commerce and Industry and all the entrepreneurs of India who have contributed to this magnificent performance. But we cannot rest on our laurels. Much remains to be done and we are committed to pursuing policies that enrich all sections of our society, especially our rural poor. We still have a long way to go in eradicating poverty, creating adequate employment opportunities and reducing income disparities.

The Theme of this fair is "Infrastructure – Power and Communications". Quality power in adequate quantity constitutes a vital infrastructure which is essential for propelling the country's economic and social growth. Power is the engine of development. Improving the availability of power at efficient prices is of primary importance for us. In order to enable this, we need to improve the financial condition of power distribution companies. We need to focus on making our State Electricity Boards viable, healthy and efficient. On their health depends the investment climate in the power generation sector. I hope this matter engages the attention of all our state governments as shortages of power can handicap them critically in their quest for accelerated growth. I am happy to learn that the participation of foreign exhibitors has gone up significantly at this fair. The interaction of foreign exhibitors with their Indian counterparts is a win-win situation for all concerned. Exhibitions like these play a vital role in promoting interaction among firms and it is my earnest hope that the participants who have converged here from different parts of the world will achieve the objective of their participation – that of forging long-term business alliances for mutual benefit.

I would like to take this opportunity to compliment the Indian Trade Promotion Organisation for organizing a fair of this magnitude with its wide canvas of activities and products. ITPO has played the role of a catalyst and facilitator in increasing our exports as also giving an impetus to intra-country trade through its events in India and abroad. In the process, it has been serving the cause of integrating the Indian economy with the global mainstream.

In conclusion, I wish participants both from home and abroad all success in their business efforts. I wish you all well

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