

India Inc must step up: EAM on China trade imbalance

Says economic challenges presented by India's relationship with China very serious and formidable

PRESS TRUST OF INDIA

23 February

External Affairs Minister S Jaishankar on Thursday said the responsibility for the trade imbalance with China rests squarely on businesses as well, blaming Indian corporates for not developing the right sourcing arrangements.

Speaking at the Asia Economic Dialogue here, Jaishankar said the government was doing its bit by bringing in policies like the thrust on Atmanirbhar Bharat and made it clear that the "massive external exposure" puts national security at threat.

Terming the challenge posed by the trade imbalance with China as very serious and formidable, the career bureaucrat turned politician said the responsibility here is not just of the government, but it is an equal responsibility of businesses as well.

"Indian corporates have not developed the kind of backwards (integration), vendor supplies, components and parts, ingredients and intermediates that should be supporting us," he said.

With lots of people, including former RBI Governor Raghuram Rajan, asking India to focus on services, Jaishankar warned that those who "do down" manufacturing are "actually damaging India's strategic future".

Jaishankar said he will consider the local public sentiment while making a big decision.

"I would have a pulse (on) what do my people feel about it. And I think you know the answer," he said.

Pakistan is grappling with an economic crisis and has not been successful in getting an agreement from multilateral institutions either. In the recent past, India has helped neighbours like Sri Lanka as it struggled to come out of its economic woes and regularly helps others in the neighbourhood as well.

However, when it comes to Pakistan, the fundamental issue impacting the New Delhi-Islamabad ties is terrorism, Jaishankar said, adding that one must not be in denial of this problem.

"No country is ever going to come out of a difficult situation and become a prosperous power if its basic industry is terrorism.

"Just as a country has to fix its economic issues, a country has to fix its political issues too, a country has to fix its social issues," he said without naming Pakistan.

Jaishankar also made it clear that it is in nobody's interest to see a country get into severe economic difficulties, and that

“ WILL LOOK AT LOCAL PUBLIC SENTIMENT BEFORE TAKING A CALL ON WHETHER TO HELP PAKISTAN IN ITS CURRENT (ECONOMIC) DIFFICULTIES... NO COUNTRY IS EVER GOING TO COME OUT OF A DIFFICULT SITUATION AND BECOME A PROSPEROUS POWER IF ITS BASIC INDUSTRY IS TERRORISM

S JAISHANKAR
External
Affairs Minister



too a neighbour.

Once a country is in the throes of a serious economic problem, it has to make policy choices to get out of it, the career diplomat-turned-politician said, adding that others cannot solve it for the country.

The world can only provide options and support systems, Jaishankar said, making it clear that Pakistan will have to make "tough choices".

He said India has also undergone the same challenges several times in its modern history, with the last one being 30 years ago with the balance of payment crisis.

Meanwhile, Jaishankar said ever since Narendra Modi came to power in 2014, the country's approach to the neighbouring countries has undergone a perceptible change and also reminded all about the Prime Minister's decision to call heads of state for the swearing-in function to start a new relationship.

Going forward, the country is also mulling to up its focus on education and healthcare spending in the neighbourhood, Jaishankar said.