

MULTILATERALISM FADING AWAY

# Bilateral ties crucial for boosting trade, says Sitharaman

● Not the rich world, trade and tech to define new world order, says minister

FE BUREAU  
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WITH MULTILATERALISM ON the wane, bilateral arrangements will be the order of global trade, finance minister Nirmala Sitharaman said on Thursday, adding that India has to ramp up such relationships with many countries to boost not just commerce and investments but also for strategic reasons.

Sitharaman's comment assumes importance at a time when India is pursuing mutually beneficial trade pact with the United States, its second-largest trading partner, as well as holding negotiations for free trade agreements with the United Kingdom and the European Union.

Speaking at "Business Standard Manthan" here, she said that multilateral institutions are increasingly fading away as every attempt to revive and energise them is not having the desired result.

She further noted that the global order would no longer be determined by the developed nations; rather, trade and technology will play a crucial role.

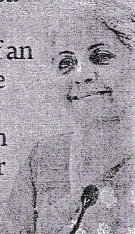
During the recent visit of Prime Minister Narendra Modi to the US, India and Trump-led US government have agreed to negotiate a deal to boost trade on a bilateral give-and-take basis. While both sides move on the bilateral pact, India will prefer to wait for the outcome of the announcement by the US on adjusting import duties and applying them on a reciprocal basis before making any firm commitments.

Earlier this week, India and the UK resumed negotiations for the long-pending FTA. The target is to grow merchandise trade between India and the UK threefold in the next 10 years.

European Commission President Ursula von der Leyen, along with the EU College of Commissioners, is visiting India on February 27-28 and the 10th round of FTA talks are set to take place on March 10-14 in Brussels.

NIRMALA SITHARAMAN  
UNION FINANCE MINISTER

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Pointing that global trade is undergoing a complete reset, Sitharaman said, "The terms and references with which all of us played trade, with some kind of an anchor in the World Trade Organization are no longer available."

There is no Most Favoured Nation (MFN) concept, she said, adding that every country wants to be treated special, and every country wants to be sure that the special treatment that they get is not by default. With its technology and talent pool, India can act as the engine of global growth in a new world order, she said.

"I think these are very interesting yet challenging times... India has to make a meaningful contribution to the global reset, as much as continuously make all the efforts to make India move up the ladder, both in terms of per capita income, and also in terms of a business destination, where talent can move, investors can move for the global good... we can be the engine of the global growth," she said.

Talking about reforms, Sitharaman said, it is something which the government will continue to do in various areas, including debt management and maintaining fiscal prudence.

"Reform cannot be just an agenda only of the union government, it has to be taken up seriously by every state government... I would want competition among states, a healthy one, to say my economy is far better than the others."

The minister also said India will continue with privatisation in non-strategic sectors as per the public enterprises policy.