

Minister of Commerce and Industry Nath: "We Would Like to Have Investments by Korea"

Question: Mr. Kamal Nath, Minister of Commerce and Industry of India, will you tell me the role of your ministry in brief?

Answer: The ministry is divided into two parts, the Ministry of Commerce, which is really the Ministry of Trade, in handling the international trade. It looks into the WTO issues or other issues concerning trade, and trade policies of the Indian government. Trade promotions and all export promotion councils come to this ministry. Today, India's exports are US\$75 billion. The services exports recorded US\$25 billion. Our imports are roughly the same. The other part is the Ministry of Industries which looks out the trade policy to the industrial and investment promotion at the macro level industry policy of the country.

Q: What major problems are you facing today?

A: We have to ensure our implementations in our exports. We have adequate reserves of foreign exchange. Our foreign exchange reserves are US\$130 billion. We are not looking for foreign exchange but good exports. That trade will generate employment to a very large population. That becomes the biggest challenge.

Q: Nowadays, there are many international seminars all over the world. Wherever I participate, many outstanding speakers expect that India is coming in the 21st Century. What is your comment about it?

A: Certainly, India is rising as an interesting country, owing to its democratic society. We have 400 million people in the age group of 15-35 years old. Eighty-percent of them are educated with human skills and resources, so our human resource base is a very important capital input.

Q: What major items do you export?

A: We want to concentrate on our manufacturing sectors. We have many items of exports like textiles and engineering goods. We are also giving a lot of focus to pharmaceuticals because we have one of the largest pharmaceutical industries. In the pharmaceutical sector, we see that it will have a very strong international base in the future. Textiles are very large for us. We have many exporting items that are also very large, including IT industries. Oil is the largest single item for imports, because we are only able to produce 20% of the

country's oil needs. We are also importing engineering and high-technology items from other countries.

Q: I heard that Korean POSCO is going to invest in India. What do you think of this investment?

A: We are looking forward to POSCO's investment in India. As a member of the Indian delegation, I met the Korean delegation from POSCO. It was a very useful visit that has led to the POSCO investment. Also, we look forward to more investment from Korea, especially in the banking industry, which is now moving out of Korea. They should be investing in India.

Primarily, we would like to have investments by Korea in metals like aluminum. We would also like Korean investments in textiles. Today, the textile industry is moving. There was a time when textiles moved from Japan to Korea. Now, it should move from Korea to India. We also want to see investment by Korea in infrastructure sectors (airports and roads) because Korea has got a lot of steel.

Q: Will you tell me about your FTA policies?

A: We believe that we should economically engage with all countries in Asia. This economic engagement should not be limited to FTAs, but to economic cooperation, which includes investment, technology and trade facilitation. It is a goal, a part of FTA. We are now in dialogue with Korea, and if we can have an economic cooperation agreement, it will cover more than goals and more than the free trade.

Q: Would you like to have an organization, like EU, in Asia?

A: In the next decade, we should have it, because there are more and more regional trade agreements - the European Union, MERCOSUR and NAFTA. These trade agreements, bilateral and regional trade agreements, will be the building blocks to the multilateral trading systems.

Q: What do you think is the new role of WTO in the future?

A: The WTO has to lay down the rules of world trade. These rules should be fair in all countries. You cannot have one country or a small group of countries making the rules of global trade. The WTO is important to see that the rules are fair to everybody.