

India to be growth engine for global economy: Modi



Mint Asia

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SINGAPORE: India will record “high growth rates for a long time” and will focus on its citizens’ “dignity and quality of life”, said Prime Minister Narendra Modi in a speech read out on his behalf at the Mint Asia-Hindustan Times Leadership Summit in Singapore on Friday. At the same event, on the theme ‘Road Ahead for Asia,’ Singapore’s Deputy Prime Minister Tharman Shanmugaratnam indicated that India was on the right trajectory but that it needs to do more in terms of its pace and direction and to make a decisive shift in strategy to escalate growth.

“A successful and prosperous India will be an engine for the global economy and a force of good for the world. Because, the ideals of democracy that define our nation also shape the way we engage Asia and the world,” Modi said as he highlighted the continent’s contribution to global development.



■ Singapore’s Deputy Prime Minister Tharman Shanmugaratnam at the Mint Asia-HT Leadership Summit on Friday. COURTESY: MINT ASIA

“The confidence and energy of our people and the strong fundamentals of our economy tells us that India will sustain high growth rates for a long time. Digital revolution and our focus on inclusion and every citizen’s dignity and quality of life gives us the strength of belief and confidence in our future,” he said.

“Asia’s re-emergence and rise are the greatest phenomena of our age of multiple transitions... This moment of flux in Asia provides us all a huge opportunity, indeed a great responsibility, to chart a steady course towards a cooperative, inclusive and peaceful future,” he said.

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PM on growth

“Singapore is a strong strategic partner and India’s gateway to Southeast Asia and the greater East. Singapore is also where the currents of seas, trade, thoughts and culture across the vast continent and maritime arc of the Indo-Pacific region meet — a region indispensable to India’s future and to the shape of the 21st century,” he said about the city state which has become an important business partner of India.

The Prime Minister also highlighted the “ancient links” between Singapore and India. “The course of India’s ancient links with the East have run through Singapore—visible in the life, landscape and languages of Singapore’s magnificent diversity.”

Singapore is India’s second largest trading partner among the 10-nation Association of Southeast Asia Nations. Modi will visit Singapore in June to

explore areas of further cooperation and take stock of the progress of their strategic partnership.

Shanmugaratnam, in his inaugural address at the event, stressed the need for “more decisive change” in India.

“India needs to create 10 to 12 million new jobs per year. You are currently still far short of that, and it requires new strategies. India has embarked on those new strategies,” he said. “There has been impressive progress in infrastructure in particular — roads, rail, ports, now airports. There have been improvements in the ease of doing business, and some liberalisation in foreign direct investment rules. But I will have to say quite frankly that the pace and direction of travel is not enough to create the jobs required.” He said he was “proffering advice as a friend of India”.

He, however, exuded optimism that the change can be brought about. Citing the Tata group, Mahindra & Mahindra and the Hero Group as examples, he added that Indian companies can compete globally.

In a conversation with Hindustan Times editor in chief, R. Sukumar, at the opening session of the event, Shanmugaratnam pointed out that for countries to move beyond trade wars, there needs to be more winners. However, he said, technological change has rendered the window of opportunity much shorter than what it used to be. The next five years are critical for India and parts of Southeast Asia that are still not on the manufacturing escalator, he added.

“We have probably peaked in terms of global trade as a proportion of global economy but even at current levels of global trade, there is still significant scope left to export and import more. The source of economic dynamism has always been competition and learning and it is through trade and investment across borders that we learn the fastest,” Shan-

mugaratnam said.

“If you look at our part of the world [Asia], we are still far away from realising the potential of manufacturing. Most specially, in India and some parts of the Asean... It can be done, but there has to be a sense of urgency because the window of opportunity is much smaller to get on that escalator,” he said.

Union minister Nitin Gadkari sought long-term, low-cost funds for the ambitious river linking project aimed at fixing water woes confronting large swathes of India.

The government’s target of doubling the income of farmers by 2022, Gadkari said, cannot be achieved without effective water management.

Apart from enhancing river connectivity, the project is aimed at improving drip and pipe irrigation to reduce water wastage.

The project envisages linking almost 60 rivers to cut the dependence of Indian farmers on annual monsoon rainfall by irrigating croplands

“The cost of the project is Rs 8 lakh crore and five of the proposals are ready with me and I am waiting for tenders. The cost of these (five) projects is Rs 3 lakh crore and for these projects, I need long term finance,” said Gadkari, the minister of road transport and highways, shipping and water resources, river development and Ganga rejuvenation.

Andhra Pradesh chief minister N. Chandrababu Naidu attempted to hard sell the state’s under-construction capital Amaravati to investors, which he said will be India’s best capital

city, and one that is bigger and better than Singapore.

With a core area of 217 sq km, the greenfield capital, which is situated between Guntur and Vijayawada cities, will also have an 8,603 sq km capital region area. Amaravati has been designed to offer more green and blue spaces—that is, more environment-friendly spaces—that will make up 51% of the total space, including 10% water bodies.

“I’m confident that we will build the best capital in India. Tomorrow, all over the world, people will talk about Amaravati,” Naidu said.