

Open market required for India to sustain 8-10% growth: CEA

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CHIEF ECONOMIC ADVISER

Arvind Subramanian on Thursday expressed concern over growing protectionism in global markets and felt that India needs open markets to grow at 8-10%.

Citing an example, he said India witnessed the fastest growth during the period when exports were highest.

“I think, we in India have now a much bigger role in ensuring that world markets remain open... At the very least, any reversal of globalisation is something that we should be very very anxious about because if we want 8-10% growth, I think we need open markets,” he said.

The biggest beneficiaries of the open market policy or globalisation has been middle income countries and the continuation of this is in their interest, he said at an event organised by ICRIER in New Delhi.

However, the idea of protectionism gained momentum recently after Donald Trump took over as the US President. Re-

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cently, the Trump administration has indicated that it wants to relook at trade agreements with countries where the US buys more than it sells, including China, Japan, South Korea and Germany.

Besides, Britain has also started the process of exit from European Union.

Subramanian said India has done a lot on FDI and more would help in attracting investment. “We have done a lot on FDI and other areas, I think we need to do more,” he said.

Speaking about ultra-loose monetary policy adopted by various advanced countries, the CEA said he was actually much less worried than the early indications about the pullout of the

US for a number of important but obvious reasons.

“One, I think, there is a kind of emerging global consensus at the level of states, at the level of NGOs, at the level of decentralised structure... It has permeated too big thankfully, for anyone or other actor to be able to derail it in any significant, substantial way. And of course, I think that India has played,” he said.