

The India Economic Summit, a World Economic Forum and CII initiative, was held in New Delhi from November 27-29, 2005. It was addressed by senior Indian ministers, who shared with global executives their visions, aspirations, hopes and imperatives. We feature here excerpts from their speeches:



P Chidambaram
Minister of Finance

We need to allow more foreign direct investment into industry. I can hardly resist a temptation of referring to China — whether intrinsic attributes of FDI, namely advanced technology and international best practice systems, have enabled efficient exploitation of China's biggest comparative advantage — cheap skilled labour, and the fact that we attract only a fraction of what China attracts in terms of FDI has disabled us from efficient exploitation of India's biggest comparative advantage, namely, a young workforce that will grow over the next 20 years, then decline.

FDI has worked wonders in China and I believe that FDI can work wonders in India. Despite liberal investor-friendly policies India continues to remain a difficult place to attract large amounts of FDI. We need to re-examine our position constantly. Such examination has led to some rethinking, such rethinking has led us to open a few more sectors. But if we must exploit the single biggest advantage that India has, namely, an educated and young workforce that is likely to grow over the next 20 years, we must open the doors to foreign direct investment.



Kamal Nath
Minister of Commerce & Industry

Important transformations are taking place at the corporate levels. Multinationals based in India have shifted from semi-knocked down conditions to basic manufacturing. A short while ago the Chairman of Toyota was telling me about their new gear plant which they will be using in India as their manufacturing base. There were several other Japanese companies with him who are now looking at manufacturing. This is again a great shift that is taking place. In the last decade we talked about the great boom in the knowledge sector, the IT sector. We are now moving towards the manufacturing sector and people are being more and more convinced about India's engineering eco system. I love using this word because I was environment minister at one time. The engineering eco system itself is now on the back of a highly evolved tooling and machining sector which has the ability to make complex assemblies.

With a treasure trove of 143 billion dollars today, there is not going to be any serious foreign exchange constraint on purchasing oil from outside. The problem is really one of prices because the expectation is that high prices will rule for quite sometime. Second, is the danger that in a world where it is being bruited about that there could arise a physical shortage of oil and that we might not be able to actually access all the oil that we want. I think the fear about the physical supplies is not too real for us because the shortage is for the world as a whole.



Mani Shankar Aiyar
Minister of Petroleum & Natural Gas



Kapil Sibal
Minister of State for Science & Technology and Ocean Development

To me the biggest challenge is that if we have to move forward as a nation and achieve the 8 per cent growth that we are talking about, we need to consider healthcare as part of our investments in development. If it is divorced from that we are not going to reach anywhere. Healthcare for example, divorced from education is not going to take us anywhere. We need to invest hugely in education because that is ultimately education, awareness, a holistic approach to healthcare is fundamental to change. It is when people have information, when people have knowledge, when people know what they are supposed to do, do people use preventive techniques to ensure that they don't get diseases.



Renuka Chowdhury
Minister of State for Tourism

I do not want India to be viewed as an exploitative country; that we look at our tourists only for a buck - every other country does that. Am I excited about increasing just my numbers and volumes - I had 629 charters that came in from the UK to Goa alone. I don't know if that is the only thing I wanted my fairy Godmother to give me. I will have six charters but quality. Why do I need the quality input? Why do I need my high-end tourist along with the masses? Because it will help me sustain my ecology. Environmental care and sensitivity to environment is a national priority for India's tourism.

We came late on to the horizon, I agree but we have learnt a valuable lessons not to destroy tourism destinations which some of the other countries have done. They have burnt their fingers on that. We are putting in quality as well as other infrastructure. I am looking at corporate inputs - that you will learn to adopt your monuments, they belong to you also. Please come forward and take over. It is not enough if media writes that 10,000 monuments are recognised. It is not possible even for the most aggressive economies in the world to be able to do that. These belong to the citizens. It is people who must come forward in partnerships -- private-public partnerships. It is not the onus of the government alone that can sustain the synergy between us. But I would like to sit back and say, perhaps this is the first time the government and the industry is talking in the same language, speaking in the same voice and able to put across that, "Hey, we are ready. We mean business but we mean a meaningful business, a sustainable development and employment for the citizens of this country".



Dr Montek Singh Ahluwalia
Deputy Chairman, Planning Commission of India

There may be a feeling that policies in India get mirrored in democratic debate which doesn't seem to be very functional. I think we have to make a distinction again that are we running a system where policy is the result of carefully worked out technocratic decisions by a small elite group of people who then present the outcome, and then that is more or less accepted by everybody since virtually all the well-known people are part of the process. Or, it can be a much more messy system with continual feedback from civil society, different political parties, from the stakeholders etc. In India it clearly is the latter. It is very highly participative and no matter what the technocratic argument is, there is a very heated debate.

I fear that if one looks at it from the outside, that debate can sometimes look very dysfunctional. But I would suggest that the way things have worked over time suggest that there is a great deal more functionality in the debate than it might appear in any given moment. I am not saying that it doesn't lead to slow decision making. It clearly does and personally I regret it. I think most technocrats would regret that. But what I am saying is that it is a sufficiently sophisticated debate to prevent grievous mistakes being made. Basically what we see, both historically, in the sense that we have had changes of government, and broadly, the thrust of policy has reflected a growing consensus on the direction of the country is going to move.