

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**POST-GLOBAL FINANCIAL CRISIS, MAJOR GLOBAL ECONOMIES
ARE FACING AN UPHILL TASK IN ENGINEERING THEIR RECOVERY;
INDIA FULLY GEARED-UP TO FACE THE EVOLVING CHALLENGES
OF A GLOBALIZED WORLD, SAYS THE FINANCE MINISTER**

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The Union Finance Minister Shri Pranab Mukherjee said that India today is among the fastest growing economies and widely believed to be steadily on the course to occupy a place among the top three economies of the world by the year 2050. However, the Finance Minister Shri Mukherjee cautioned that the recent developments in Euro-zone have heightened uncertainty in financial markets through-out the world. As a result, India's short-term growth prospects have also been impacted, the Minister added. The Finance Minister Shri Mukherjee said that the post-global financial crisis, the world has seen most major economies facing an uphill task in engineering their recovery. He said that they are variously affected by concerns ranging from high unemployment, declining incomes, inflation and issues related to sovereign debt. He said that we could come out of the crisis without any major economic dislocation and recovered our growth momentum rapidly. The Finance Minister Shri Mukherjee said that our government gave a new thrust and direction to the economy. He said that we deregulated domestic industry, liberalized trade and production and gradually opened-up the economy to foreign competition and capital. As we geared-up to face the evolving challenges of a globalizing world, we remained committed to the cause of social justice and ensuring fulfillment of basic needs for the poor and the vulnerable segments of our population, the Minister added.

The Finance Minister Shri Mukherjee was speaking here in Pragati Maidan today after inaugurating the 31st India International Trade Fair (IITF). The Union Finance Minister Shri Pranab Mukherjee said that IITF is India's premier trade fair that showcases India's capabilities and achievements across a broad canvas of sectors. Indeed, this international fair is witness to the unfolding of India's economic development over the past three decades, the Minister added. He said that as an event it has become popular and grown from strength to strength. Shri Mukherjee said that one person whose vision has brought us here is our first Prime Minister, Pt. Jawaharlal Nehru. It is

therefore only appropriate that the IITF opens every year on his birth anniversary, he added.

The Union Finance Minister Shri Pranab Mukherjee said that India's export sector has performed well this year. As per the recent export data, the growth of merchandise exports during first six months of 2011-12 is 52 per cent, he added. Shri Mukherjee said that he must add that the tendency of some developed countries to resort to protectionist measures in the face of downturn of their economies is a matter of concern.

The Union Finance Minister Shri Pranab Mukherjee said that our experience of the past couple of decades indicates that the globalised world of present times offers incredible opportunities, but also poses enormous challenges. He said that if the years before the global financial crisis in 2008 presented the prosperity that comes with globalisation, the distressing economic dislocation in the aftermath of the crisis, in several countries, demonstrated its lasting costs. Indeed, the efforts currently underway to reform the international and national policy regimes to better manage the forces of globalisation, in serving the collective well-being of people, have to be sustained and pursued to their logical end, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said that the performance of our economy over the last two decades is a testimony to the success of the policy measures initiated since the economic reforms of early 1990s. He said that the Indian manufacturing sector has come of age and is making its presence felt globally in sectors like the automobile and auto components, pharmaceuticals, textiles and steel. The changing composition of our exports in favour of engineering goods is an indication of that fact. The Finance Minister said that large service sector is helping us absorb domestic shocks and uncertainties associated with a monsoon-dependent agrarian economy. The agriculture diversification has added to its resilience in the face of uneven and delayed monsoons in the recent past. The agriculture year 2010-11 has seen production touch a new high, the Minister added.

The Union Finance Minister Shri Pranab Mukherjee said that he is happy to note that this year's theme of **IITF- "Indian Handicraft- the Magic of the Gifted Hands"** has brought together several hundred such enterprises from all parts of the country to display their goods at the fair. He extended his greetings and good wishes to all participants and visitors in the 31st India International Trade Fair. Later, he declared the fair open. The Union Commerce Minister Shri Anand Sharma was also present on the occasion among others

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The text of the Speech of the Union Finance Minister Shri Pranab Mukherjee is as follows:

I am very happy to be here today at the inauguration ceremony of the 31st India International Trade Fair (IITF) - the flagship event of India Trade Promotion Organisation. IITF is India's premier trade fair that showcases India's capabilities and achievements across a broad canvas of sectors. Indeed, this international fair is witness to the unfolding of India's economic development over the past three decades. As an event it has become popular and grown from strength to strength.

Ever since independence, India has been a model of self-reliance and a source of inspiration to many developing countries. Our relentless struggle to banish poverty, illiteracy and ill-health with democratic institutional means has been watched with keen interest by the outside world. The fact that a country with primarily agricultural economy and a rapidly increasing population could make its presence felt in diverse fields like heavy industries, communication, nuclear energy, space research and electronics, has been widely acknowledged. The one person whose vision has brought us here is our first Prime Minister, Pt. Jawaharlal Nehru. It is therefore only appropriate that the IITF opens every year on his birth anniversary.

After independence, in our initial drive towards industrialization we had followed certain policies to protect our nascent industry from international competition and also from corporate giants within the country. We were a relatively closed economy. However, in time, as our industries reached a stage when they could be increasingly exposed to domestic as well as international competition, we reviewed our policy framework.

Our government gave a new thrust and direction to the economy. We deregulated domestic industry, liberalized trade and production and gradually opened-up the economy to foreign competition and capital. As we geared-up to face the evolving challenges of a globalizing world, we remained committed to the cause of social justice and ensuring fulfillment of basic needs for the poor and the vulnerable segments of our population.

The performance of the economy over the last two decades is a testimony to the success of the policy measures initiated since the economic reforms of early 1990s. The Indian manufacturing sector has come of age and is making its presence felt globally in sectors like the automobile and auto components, pharmaceuticals, textiles and steel. The changing composition of our exports in favour of engineering goods is an indication of that fact. The large service sector is helping us absorb domestic shocks and uncertainties associated with a monsoon-dependent agrarian economy. The agriculture diversification has added

to its resilience in the face of uneven and delayed monsoons in the recent past. The agriculture year 2010-11 has seen production touch a new high.

Our experience of the past couple of decades indicates that the globalised world of present times offers incredible opportunities, but also poses enormous challenges. If the years before the global financial crisis in 2008 presented the prosperity that comes with globalisation, the distressing economic dislocation in the aftermath of the crisis, in several countries, demonstrated its lasting costs. Indeed, the efforts currently underway to reform the international and national policy regimes to better manage the forces of globalisation, in serving the collective well-being of people, have to be sustained and pursued to their logical end.

The post-global financial crisis world has seen most major economies facing an uphill task in engineering their recovery. They are variously affected by concerns ranging from high unemployment, declining incomes, inflation and issues related to sovereign debt. We could come out of the crisis without any major economic dislocation and recovered our growth momentum rapidly. India today is among the fastest growing economies and widely believed to be steadily on course to occupy a place among the top three economies of the world by 2050. However, the recent developments in Euro-zone have heightened uncertainty in financial markets. India's short-term growth prospects have also been impacted.

India's export sector has performed well this year. As per the recent export data, the growth of merchandise exports during first six months of 2011-12 is 52 per cent. I must add that the tendency of some developed countries to resort to protectionist measures in the face of downturn of their economies is a matter of concern.

Trade Fairs of the type and scale of India International Trade Fair have few parallels. IITF has been a successful launching pad for a large number of consumer products- cars, durables, consumer electronics, appliances, housing to name a few. Most importantly, it has been an excellent platform for small and micro enterprises which display their products at pavilions of states, central ministries or export promotion bodies or even independently, to get the best price from trades in India or importers from abroad. The success of these enterprises is important for meeting our economic goals, as they provide employment in small towns and rural areas. I am happy that IITF has been consistently meeting the needs of these sectors, thereby contributing towards the goal of inclusive development in the country.

I am happy to note that this year's theme of IITF- "Indian Handicraft- the Magic of the Gifted Hands" has brought together several hundred such enterprises from all parts of the country to display their

goods at the fair. I extend my greetings and good wishes to all participants and visitors in the 31st India International Trade Fair. I declare the fair open.

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