

Economy and Policy

## “We Have Every Reason to Believe That India’s Development Will Continue in The Foreseeable Future,” Say WTCA Leaders

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Scott Wang, Vice President, Asia Pacific, World Trade Centres Association (WTCA) and Vijay Kalantri, Chairman, MVIRDC World Trade Centre, Mumbai (L to R)

India’s efforts to bolster its economic relations with a Trump-led America could run into rough weather as escalating conflicts in Europe and the Middle-east continue to shake geopolitical stability, global trade and investor confidence. In an exclusive conversation with **Outlook Business**, Scott Wang, Vice President, Asia Pacific, World Trade Centres Association (WTCA) and Vijay Kalantri, Chairman, MVIRDC World Trade Centre, Mumbai, spoke about how India-US could navigate these challenges and build on their ties.

**Q** We are experiencing a geo-political turmoil globally. How do you think India and the US can navigate this challenging phase? What could be the impact of the geopolitical upheaval on trade relations between these two countries?

**A VK:** The ongoing geopolitical turmoil will significantly impact India-USA trade relations. Both nations have a great deal to lose as the US is [India's largest trade partner](#), representing 11 per cent of its total trade. The two countries can navigate the challenges by collaborating in several ways.

India meets 87 per cent of its crude oil requirement with imports and USA is the fifth largest supplier of crude and mineral fuels to India. With crude oil prices spiralling globally, Washington can support India with adequate supply of crude at a reasonable price to ensure the energy security of the country.

Similarly, India is a significant supplier of cereals, organic chemicals, gems and jewelry, carpets and other consumer goods to USA. India can ensure uninterrupted supply of these goods to the US market despite the ongoing geopolitical tension.

The disruption of trading routes has led to a shortage of containers, driven up the cost of shipping and insurance and increased transit time. These are major hurdles for exporters in both nations. To ride this challenge and secure trade, shipping and logistics companies, container manufacturers and marine insurance companies of both countries need to chalk out joint strategies along with other friendly nations.

**Q** **Can we expect any initiative by WTCA to boost the Indian MSME sector and help it tap into the global market?**

**A SW:** The WTCA launched "route to 500" initiative recently to broaden the coverage of its network and bring benefits to more cities around the globe. As one of the fastest-growing regional networks in the WTCA global family, India is a priority market for the initiative. We are confident to reach our goal of 50 Members in India from the current level of 41 in the next 5-7 years so we can extend the benefits to more SMEs in this country.

**VK:** WTCA can work closely with the global network of WTC businesses to create an online marketplace for MSMEs in their respective regions to showcase their products and services and also post trade queries seeking business partnership with other countries. Such a marketplace will act as a digital tool accessible to the business members of WTC businesses across nearly 100 countries to facilitate exchange of market intelligence, trade & investment opportunities and possible areas for joint ventures, technology exchange and other forms of collaborations.

Member WTC businesses should look at outbound trade missions across countries to promote their products and services. Similarly, member WTC businesses should be prepared to host and facilitate meetings for inbound trade missions coming from various countries.

WTCA can encourage member WTC businesses to exchange critical market intelligence and information on trade fairs and exhibitions in their regions so that business members from other WTC businesses can participate in these events and benefit from networking opportunities.

**Q** **What do you think are the most lucrative sectors in India that could attract global investments and why?**

**A SW:** India has been the fastest-growing major economy in the world over several years. With its competitive demographic structure, upgraded infrastructure and reformed policies, we have every reason to believe that India's growth story will continue in the foreseeable future, cementing its position as a top destination for global investors. We see tremendous opportunities across sectors, such as IT services and pharmaceuticals, e-commerce, retail, automobile, renewable energy, sustainable development, infrastructure and telecommunication.

**Q** **Trump called India 'Biggest Tariff Charger'. What do you think his re-election could mean for India-US Trade relations?**

**A SW:** We understand the global trade regime is getting increasingly fragmented due to various reasons. This is why a global network like WTCA could make even greater contributions to global trade and business with its apolitical connectivity and services. We think the enhanced ties between the two countries are in the interest of people on both sides and believe the momentum will continue.

**VK:** Going by the past trend, we feel re-election of Mr. Donald Trump will not have any material impact on India-US Trade relations. Between 2017-2021, during his presidency, India's goods exports to USA grew 25 per cent despite increase in tariff on steel and aluminium and the withdrawal of concessional duty under the GSP scheme by his administration. India's exports to USA outperformed its exports to other top five trade partners such as China, UAE and Germany. This indicates the resilience of the Indian MSME sector and exporters to major trade policy changes in foreign countries. We expect trade to remain resilient going ahead as well, regardless of any policy change. India has emerged as preferred supply chain partner at a time when global companies are seeking to strengthen their supply chains.

India's exports of smartphones, solar photovoltaic cells, textiles, medicines and processed food have registered double digit growth last year, coinciding with its emergence as a reliable supplier of these goods to USA. Going by past trends, the re-election of Mr. Donald Trump may increase the cost of exports in case his administration chooses to continue with the policy of hiking tariffs.

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**Q** **Tighter US trade policies could reshape APAC economies and offer opportunities to India, claimed Moody's Ratings. What do you think could be the changes for the APAC economies and how will they benefit India?**

**A** **SW:** The Asia Pacific region has been undergoing a profound transition of global supply chain restructuring in the past decade. Tighter US trade policies are among the major reasons for this trend. It has brought different challenges and opportunities to the major trading powers in the region including India. With its abundant young labour force, improving infrastructure and ongoing policy reforms, India could [emerge as a major beneficiary](#) if it continues to improve its market entry and business environment to ensure common ground in a competitive landscape for foreign investment.

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