PREPARING FOR A NEW ERA OF CHANGING GEO-ECONOMICS

by
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World Trade Organization, Geneva

Organised By
Lovraj Kumar Memorial Trust
in association with
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Northern Regional Centre
New Delhi
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I want to thank Dr. Vijay Kelkar and other distinguished members of the Lovraj Kumar Memorial Trust for inviting me to give this lecture. It is a great privilege for me to share my thoughts, especially my concerns, regarding certain changes in geo-economics and their repercussions in the not too distant future. To adequately prepare ourselves for such changes, we need the foresight, clarity and effective policy-making of Lovraj Kumar, the great man we honour today.

Mr. Lovraj Kumar was my role model much before I met him. My first interaction with him was at the dinner for the Rhodes scholarship interview in 1978. All the aspirants looked up to him: India's first Rhodes Scholar (together with Ashim Dutta); a brilliant person, an excellent professional who had left the private sector and joined Government to dedicate himself to nation-building, a man who had established important institutions and set very high standards of performance.

I interacted more closely with him when I did a short consultancy at the Bureau of Industrial Costs and Prices (BICP) in 1979, before leaving for my studies abroad. He offered me the job when I visited him in his office and I immediately agreed because I was in awe of him. It was wonderful to work with him, and I have very pleasant memories of that experience in the company of this master policy maker.

I recently re-read an obituary for Mr. Lovraj Kumar written by Professor Ian Little, a reminiscence which shows Professor Little's high admiration and deep affection for him. The obituary brought back several memories. Two sentences particularly caught my attention, where Professor Little says about Lovraj: “He was always enthusiastic about the causes he embraced and over-enthusiastic about the merits of his ancient Daimler car to which he attributed improbable speeds. ... He was good at choosing advisers and staff, and few failed to succumb to his quiet personal charm and good

1The views expressed here are my own and should not be ascribed to any other person or organization.
humour.” I am sure that all his erstwhile advisors and staff who are here today will endorse Professor Little’s views.

Among the causes Mr. Lovraj Kumar embraced enthusiastically was to create conditions for strong growth and development of India that would inter alia help establish the country also as a prominent presence in the international economic system based on its own capabilities. That is the issue which I wish to discuss with you today, relying on some simple yet important points which reflect a number of changes in geo-economics. I will first introduce these points and then look at them in greater detail.

My first point is that today’s world is a significantly interconnected globalised world. In such a situation, both external and internal conditions affect the success of our domestic performance and sustained ability to meet key economic and social objectives. The recent experience with the exchange rate of the rupee is an example of this link, and there is much more. In the context of international trade this interconnectedness is reflected in a tendency of increasing reliance on supply chains and trade in tasks.

My second point is that we now have a trend towards a multi-polar world combined with a larger presence of regional economic linkages. In an inter-linked growing world with enhanced trade and investment links, this change expands both the scope and need for policy co-ordination among nation.

Thus, we now have a situation where to address a number of concerns we need combined effort of a larger number of nations than ever before. To co-ordinate these efforts we need to rely on a predictable and fair global governance regime. This is relevant for several areas such as international trade, investment, climate change, food security issues, and addressing health pandemics. For India, one of the prominent poles in our multi-polar world, an important part of dealing with this situation would be to adequately prepare itself internally and link up externally with like-minded nations to manage the process of global governance.
An interesting feature of the changes in geo-economics is that while this change has contributed to a greater need for global governance, it has also made global governance immensely difficult. One example of this is the difficulty in successfully concluding the recent multilateral negotiations at the WTO, the Doha Round trade negotiations.

Nonetheless, irrespective of the stalemate in multilateral trade negotiations, the world of trade and trade policy issues keeps evolving. For example, we now have greater prevalence of plurilateral agreements and also an increasing use of non-tariff barriers. This is complicated by the private sector evolving its own standards, which are difficult to govern. These developments require specific efforts to prepare ourselves to address the new and sometimes creative forms of trade barriers.

An important point about changes in geo-economics is that these changes **will continue to take place**. The situation is not a static one. Therefore we need to examine the key developments likely to occur in the forthcoming years, and strategically plan to address them in our best interests. In this regard, I will share with you two likely major developments over the next four to six years, which I feel will fundamentally change the way we interact with the world in terms of international trade regulation.

In order to deal with these developments, it is very important that we carry out our internal preparations in a **timely manner**. The world is changing rapidly, and the time to clarify our perspective and determine our response is **now**, not sometime later when our opportunities start being adversely affected by the changed conditions, with little time available for us to react appropriately.

Of course, preparations to address the changes in geo-economics would require policy efforts in several areas such as macroeconomic policy, climate change, health and education, investment, and security policy. My discussion will focus on the evolving international trade policy regime. Though limited, these developments are important components of a framework useful for assessing the evolution of geo-economics. An
analysis of these matters will also help us prepare to address some of the other issues as well.

Before making my more detailed points, I want to give you a flavour of the kind of policy efforts likely to be considered by another important economy in this region, i.e. China. I quote from a recent joint publication of China's Development Research Centre of the State Council and the World Bank². Regarding the direction of China's policies, an important aspect of this report is that it reflects the views of China's Development Research Centre of the State Council. In summary, the main focus is to:

"First, implement structural reforms to strengthen the foundations for a market based economy ... Second, accelerate the pace of innovation and create an open innovation system ... Third, seize the opportunity to “go green” ... Fourth, expand opportunities and promote social security for all ... Fifth, strengthen the fiscal system ... Sixth, seek mutually beneficial relations with the world by becoming a proactive stakeholder in the global economy, actively using multilateral institutions and frameworks, and shaping the global governance agenda.... As a key stakeholder in the global economy, China must remain proactive in resuscitating the stalled Doha multilateral trade negotiations, advocate “open regionalism” as a feature of regional trading arrangements, and support a multilateral agreement on investment flows ... Finally, China must play a central role in engaging with its partners in multilateral settings to shape the global governance agenda and address pressing global economic issues ..."

I have shared this quotation for two reasons. One is to give you an indication of how China is likely to prepare itself to address the situation arising due to changes in geo-economics. Second, one of the big-picture changes that I will talk about is based on China's on-going reform process and how China will interact with developed nations in trade negotiations over the years ahead.

Now for some more detail. I start with a quick look at some of the key developments that have given rise to changes in geo-economics and created a greater need for global governance. We will then see how the same changes also make it difficult to achieve such governance. Then I will discuss the big-picture points which we need to take into account for preparing ourselves in due time to address major changes in geo-economics.

(1) **An interlinked world**

Global inter-linkages and consequent changes in geo-economics have manifested themselves in international trade at both the global and regional levels, for several reasons:

- The relatively faster growth rate of a number of developing countries has led to the so-called emerging economies now becoming a significant presence in the global economic system. BRICS for instance have dramatically increased their global rankings for GDP as well as international trade and investment. Subsequent to the strong growth of BRICS countries, we now have another group referred to as the Next 11 or N11 economies whose combined impact over time is likely to be similar to that of BRICS. The N11 economies include Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam. This group of 16 developing economies, BRICS and N11, will become ever more important driver of change and growing inter-linkages in the global economy.

- Growth in international trade and investment has contributed significantly to increase international economic linkages.

- Globally, international trade has grown much faster than global GDP. For instance, in 2012, the volume of world trade was 3 times larger than it was in 1990, while global GDP over the same period increased to become only 1.8 times as much. This faster growth in the volume of world trade compared to the growth in global output during this past 22 years contributed to incremental integration of nations in the global economy.
• Likewise, in 2012, for the first time ever, developing countries absorbed more Foreign Direct Investment than developed countries; China and Hong Kong, China together received more FDI than the United States, and prominent developing countries in the top twenty global hosts for FDI in 2012 included Brazil, Singapore, Russian Federation, Chile, India, Indonesia, Colombia and Kazakhstan.

• About one-third of global FDI in 2012 was generated in developing countries, continuing the rising trend.

• Though there was a fall of global FDI by 18 per cent in 2012 to $1.3 trillion, according to UNCTAD it is expected to increase to $1.8 trillion by 2015, an increase of almost 40 per cent.

• Inter-connectivity through international trade has been increasing due to greater reliance on supply chains. For supply chains in international trade, the final product is only partly produced in any single country. Instead, a number of countries together produce the item. This has given rise to a concept of "Made in the World".

• Based on recent data for international trade calculated in terms of value added, the share of foreign value added contained in exports of India increased from 10 per cent in 1995 to 22 per cent in 2009. In the case of China, these numbers show a rise from 12 per cent to 33 per cent over the same period.

• As I mentioned earlier, the world is evolving into a multi-polar global economy where different regions have certain prominent economies with regional linkages and supply chains. Through these linkages, multi-polarity provides additional levels of inter-connectivity, for instance amongst the multiple global poles across regions and then widening the scope of such interconnections within the regions.

• With greater inter-linkages, there is a stronger knock-on effect of both positive and negative economic changes in any of the prominent regional economies. This implies that changes in a number of
developing economies are now more significant aspects to be considered in the context of global economic governance.

(2) Need for multilateral agreement

A need for multilateral governance was recognised most strongly during the recent sharp global economic decline, when G-20 was formed to jointly address global economic concerns. A clear statement on this point was made, for example, by the President Obama of the United States in his newspaper op-ed in 2009 written prior to the London G-20 meeting, said that: “We are living through a time of global economic challenges that cannot be met by half measures or the isolated efforts of any nation ... There is no line between action that restores growth within our borders and action that supports it beyond.” (my emphasis)

This statement by the President of the largest economy in the world was an acknowledgement that countries need to work together to address important economic concerns because the enhanced inter-linkages amongst nations make each one of them inadequate to cope with the issue on their own. Thus, we need an effective stable and predictable system to help us avoid ad hoc policy restrictions; we need a multilateral system. But multi-polarity itself has made this task very difficult.

(3) Difficulty of reaching multilateral consensus

The clearest example I can give of the difficulty in reaching multilateral consensus is from the Doha Round of trade negotiations at the WTO. Earlier, multilateral consensus in trade negotiations was easier because once some large developed economies amongst themselves reached consensus on the disciplines that would apply to them, they aimed to achieve a general consensus by providing flexibilities from these disciplines to others. This method combined with strong persuasion was usually successful in reaching a consensus at that time. Not so now, with the changes in geo-economics.

In the present situation, we do have options of relative flexibilities for developing countries, but the large developed economies are more
demanding in what they expect from the larger developing economies such as China, India, Brazil and South Africa. The greatest attention is on China, but the others are also part of this focus. These expectations are not reciprocated.

Thus, the difference of opinion arises on account of significantly different perspectives among the developed and large developing economies about the extent of responsibility or disciplines that say China or India should accept in order to have a fair and balanced agreement. For instance, according to the United States and the European Union, these countries are now competing effectively in the world markets and are among the top economies of the world. They should be opening up their trade regimes much more, in some areas closer to the situation in developed economies. I recall for instance a statement by a speaker from the United States at a conference I attended, where he told a Chinese senior official at the Conference that: “From where I am sitting, I see your country as being more developed than my own. Where I come from, most people share this view”.

In contrast, China and India’s view point is that though their economies have registered significant growth, they are still developing economies, with considerable responsibilities to improve the incomes and social services for a large number of poor persons in their economies. Thus they feel that what is sought from them by the developed countries is too burdensome and does not reflect a balanced and fair demand.

This is the fundamental difference of opinion which cannot be bridged easily because each side feels convinced of the validity of its individual position. Therefore, unlike earlier there is now no possibility of obtaining a consensus on the basis of a smaller set of developed countries. There is a stalemate because with the change in geo-economics these developing countries are an important presence in the system and any multilateral result will not have significant meaning without their participation.
(4) **Focus on plurilateral negotiation**

So what would be a solution? One is to try and seek multilateral agreement on those issues where consensus is still possible. This is the effort being made in the package of results that WTO Members aim to harvest at the Bali Ministerial meeting in December this year.

For other issues, a possible solution could be to aim for a deal amongst those countries who can potentially reach agreement amongst themselves. This explains the present focus towards plurilateral or so-called free trade agreements amongst limited number of countries.

A valid question is: Since emerging economies such as China and India have potentially large markets and developed economies are interested in getting access to these markets, then why should they aim for plurilateral agreements which do not have these emerging economies as participants? Without their inclusion any agreement would be far from satisfactory in the same way as it is in the context of a multilateral agreement!

The answer lies in considering a number of strategic and commercial objectives, including a felt need to keep expanding the zone of influence and market access through plurilateral agreements. Further, changes in technology have brought up new issues and patterns of trade, raising additional concerns. To provide an indication of some of these issues, I wish to share some thoughts from a recent article written recently by Jayanta Roy, a former Economic Advisor to India's Commerce Ministry and a close friend. Jayanta has succinctly summarized as follows:

"Trade and investment in today's world takes place in an environment defined by highly integrated global production networks. Trade in intangibles as defined by management of knowledge, data, and support services (IT and ITES) is becoming increasingly more important. The impending automation of many manufacturing and services functions is already starting to re-define the relationship between labor and capital. Such drastic changes require a highly efficient trade and investment environment (low transaction costs), and strategic thinking from the policy-makers who manage this relationship."
Let us now consider the objectives that nations are trying to address through plurilateral negotiations. They include:

- policy areas still not covered by the multilateral trading system,

- view of industry in certain developed economies that they need to address a non-level competitive situation created by policies of countries that are now becoming important drivers of change in geo-economics,

- importance of open markets for countries which seeking additional opportunities for their producers through international trade and investment,

- desire of consumers and policy makers in certain countries to deal with important social issues such as environment, health and safety, and certain social standards,

- perceived lack of generally applied disciplines for knowledge-based activities and thus a need to address the perceived policy gaps to develop a secure framework for investment in knowledge intensive technologies at home and abroad,

- to develop disciplines for global standards relating to trade (the focus is on global standards because with a growth of supply chains, it is felt that devising standards at the local or regional levels would be inefficient),

- improved framework of disciplines for foreign direct investment, and

- a view that the deadlock in Doha Round negotiations should not block efforts at updating the template for trade regulations in order to cover new international trade policy issues.

Thus, we have a number of free trade negotiations going on in different parts of the world. The ones most often referred to because they cover a significant share of global trade, are the Trade in Services Agreement
(TISA), Trans-Pacific Partnership (TPP), Transatlantic Trade and Investment Partnership (T-TIP), and Regional Comprehensive Economic Partnership (RCEP). Without going into details, I want to give you an indication of the new issues covered by the TPP negotiations.

In addition to greater market access, the list includes intellectual property rights, foreign investment, competition policy, environment, labour, state owned enterprises, e-commerce, competitiveness and supply chains, government procurement, technical barriers to trade, transparency in health care technology and pharmaceuticals, and regulatory coherence. Those who have been following the discussions in the Doha Round will know that this list has several new areas which would create problems for our negotiators. If we ever decide to actively take part in future negotiations, these topics will need to be taken into account as well as the nature of additional disciplines likely to arise in these areas.

A noteworthy aspect of this list is that several of these issues would not have been emphasized or would not have occurred in trade policy negotiations if the geo-economic situation had not changed significantly. For instance, producers or exporters from developed economies who are losing market share that is reflected in the changing geo-economics, have argued that their loss is more due to unfair policy regimes in the emerging economies rather than an actual decline in their competitiveness. A number of these issues attempt to address these concerns.

Another important feature is that many of these issues are usually addressed through technical or other standards. One worry in this context is that if we have different standards arising from different plurilateral agreements then the global market will get fragmented. However, if mega-plurilaterals such as TPP and T-TIP are able to devise the basis for developing global standards then they will in effect define such standards for much of international trade, and thus determine an important aspect of market access for all.

What do we do in a situation where disciplines relating to such standards
are developed without our participation? How do we manage the discipline for standards in such a way that the disciplines effectively have multilateral coverage and agreement? In the present situation, the remoteness of these standards from our influence is in some sense similar to that of private standards, which are developed by large companies and are used in several countries.

In both these cases, I think we have a model available in the Code of Good Practice for Preparation, Adoption and Application of Standards contained in WTO's Agreement on Technical Barriers to Trade. We could insist that the principles mentioned therein should be applied in all instances, even for plurilaterally agreed or private standards. These principles include:

- ensuring that standards are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade;

- where international standards exist or their completion is imminent, the standards are based on them;

- periodically, information should be provided on standards prepared or under preparation so that people are aware of them and if required can provide their comments;

- a period of 60 days should be provided for comments, and those comments should be taken into account by the standardizing Body; and,

- "The standardizing body shall afford sympathetic consideration to, and adequate opportunity for, consultation regarding representations with respect to the operation of this Code presented by standardizing bodies that have accepted this Code of Good Practice. It shall make an objective effort to solve any complaints."

These principles are important for good governance as well. Emphasizing them will bring greater discipline in the area of standards
and to some extent help us deal with both domestic as well as international independent initiatives to develop standards. However, these principles will not adequately address certain areas of concern, such as labour, and we need to consider the best alternative way forward in such cases.

Why worry about these issues? As I explain shortly, it is possible that plurilaterally developed standards may become relevant for a significant part of India’s international trade. In this context, it is important to bear in mind that the TPP partners today account for about one-third of global trade. If we consider the EU as well, which has begun negotiating a plurilateral agreement (T-TIP) with the United States, then the combined share of these mega-plurilaterals becomes about half of global trade.

I want to mention another important point relating to good governance especially with respect an important feature of international trade, i.e. an increasing reliance on supply chains. With complementary parts in the supply chain provided by different nations, timeliness of processing and delivery becomes crucial. Such timeliness is in any case an integral part of a good governance framework, contributing to transparency, stability and predictability for producers and investors, and reducing transaction costs as well.

Timeliness requires being backed up with adequate and appropriate infrastructure and systems. Some may say that this is old wine in an old bottle. However, the cost of missing out on links to the supply chain is much larger today not just because of likely increasing importance of these chains, but also the speed with which changes take place. The effective response time today is much shorter that earlier. Further, when domestic or international business considers developing links through supply chains or investment, policy preparedness creates an overall positive image of good policy environment in the nation. That helps generate additional opportunities for domestic economic activity.

I now come to the two large changes that I anticipate in geo-economics, changes which may fundamentally alter the international trading system as we know it today. These are the likely evolution of China’s participation
in trade negotiations, and the impact of the rise in middle class on global demand and international economic relations.

(5) **Likely changes in China's interaction with ongoing plurilaterals**

You will recall that a major difference of opinion between China and some of the developed economies is an important reason for the impasse in the Doha Round of trade negotiations. Developments in the past few months seem to suggest that China's views on a number of issues are changing with respect to its interaction with others in bilateral, plurilateral and multilateral negotiations. This is evident in the reform policy that China has adopted or is discussing since the past few months.

China's policy makers consider economic reform as crucial for successfully managing their nation's growth and structural change. The new leadership of China has worked intensively on the reform programme to be finalised later this year, a programme which will herald important changes in that nation over the next ten years. For its own growth and development, it is important for China that there should be harmonious growth of global markets and that China's trade and outward investment have access to these markets on non-discriminatory terms. Thus, part of China's large reform agenda is likely to aim at enabling China to actively participate in trade and investment negotiations in different parts of the world, including the mega plurilaterals such as TPP.

In view of this important objective, China's domestic reform process would contain important elements of the discussions in TPP etc. covering for instance, improving environmental standards, efficiency of the services sector (with an important emphasis on producer services), reform of state enterprise, and greater discipline in its foreign investment regime so as to attract "better quality" investments into the country as well as to get better treatment for its own outward foreign direct investment.

There are a number of examples of such a change in China's perspective. China has agreed to negotiate a bilateral investment treaty with the US using the latter's template for such treaties. It is also seeking such treaties
to broaden the coverage of investment reform across other important markets. China has agreed with the United States on a non-binding climate plan. It has asked to be admitted as one of the parties negotiating the plurilateral Trade in Service Agreement (TISA). There is also a change, though subtle, in its position on certain issues in the WTO, showing greater ambition in certain areas.

Reportedly, China is even considering participating in the Trans-Pacific Partnership (TPP) negotiations; when China's President Xi Jinping met President Obama, he asked to be kept informed about TPP negotiations. With the exception of the Information Technology Agreement 2 (ITA2) where it gave a list of 106 lines that it would like to withdraw from the overall list, other indications show a more engaged China, a nation which seems to be preparing to take a larger and more active role in bilateral, plurilateral and multilateral negotiations.

These developments can potentially change the interaction of China with the rest of the world, particularly with developed countries in the context of trade negotiations. An important implication would be that China's negotiating position will start moving closer to that of major developed nations, especially in terms of WTO+ trade disciplines.

It is likely that if China wishes to take forward its interest in terms of participation in TPP, this would either take time or be very difficult at this stage of the negotiations. However, even if China is outside the TPP agreement, it would prepare for the standards and disciplines resulting from the negotiations so as have easier access to the large market covered by these plurilateral negotiations.

The total share of TPP partners, EU and China is about two-thirds of world trade. Standards are usually applied similarly across total trade, both with free trade agreement partners as well as others. Thus, if China applies the same standards as covered by the mega-plurilateral agreements, these standards could *de facto* apply to about two thirds of world trade. In this situation, if India is out of the framework of disciplines resulting from these mega-agreements, it will effectively have access to only a limited be part of global trade.
To the extent that additional nations show an interest in adopting these disciplines and standards in order to get easier market access, and we do have some who are indicating such interest, India would over time be more and more separated from these markets. It is essential to adequately prepare for such a situation which will create very different conditions of international trade compared to what we have today. Complications would arise not just because of higher standards but also due to new standards such as social standards linked to trade, which policy makers may feel are very difficult or sensitive to address.

About a quarter of India's exports go to TPP countries, and if we take EU as well then the share increases to two-fifths. In the present interconnected world, any exclusion from the market would have important implications for the opportunities available to the nation. The stakes become higher with other developing nations such as China also participating in the newly evolving framework of disciplines. In that situation, additional preparations must supplement the Code of Good Practice that I mentioned earlier, combining that effort with initiatives for substantive capacity building and policy reform.

There is a possible silver lining in these clouds, arising out of adverse conditions. TPP, T-TIP, TISA, together with China's participation within that framework of disciplines does not cover several nations. Any resulting disciplines, including standards, would thus exclude a large number of countries.\(^3\) Since it is usually not possible to apply standards in a differential manner, these countries too would require increasing their capacities for effective access to a significant part of international trade. They would require an up-gradation of capacities, supplemented with diplomatic efforts to develop common positions in the international fora to emphasise their concerns on how their access to markets and thus livelihoods are adversely affected by an exclusionary system.

There is an important role for India in this context, both to help with capacity enhancement and to work with similarly affected nations for

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\(^3\)Countries negotiating the TPP are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam.
highlighting the relevant concerns and seek mutually consistent solutions. These efforts will help reduce tensions and potential conflicts, while providing India a prominent opportunity to be a spokesperson for a large group of nations. In order to be effective, India would have to take forward the dialogue showing sensitivity for all concerned. These efforts will be helped by another important change in geo-economics, namely the effects of a large expected increase in the global middle class.

(6) Large increase in middle class

It has been estimated that by the end of this decade, globally the middle class will increase by about 1 billion persons in comparison to the end of the previous decade. This will imply an immense increase in demand for final products and raw materials to produce them. A significant part of the supply of raw materials would be from Africa. As the importance of African nations increases in trade transactions, they would become more assertive in demanding non-discriminatory and fair treatment. In addition, they would emphasise that major trade agreements be inclusive rather than exclusive.

So, while we would have one set of conditions from mega-plurilaterals which will lead to exclusion, another set of conditions is likely to develop with a large number of countries seeking exactly the opposite, i.e. inclusive trade agreements. For the reasons I have just mentioned, there is an important role for India in such a situation, a role that must enhance engagement and credibility for all sides concerned. This needs to be carefully planned and built upon, together with a programme of internal reform and capacity augmentation as well.

There are of course several other implications of the rise of the middle class in terms of prices of food and energy, and direction of trade. In addition, we will see some important changes occurring on account of new sources of energy such as shale gas, and the effect of 3D printing on competitiveness of industries, especially in developed economies. It would be useful to carry out a study of these phenomena and assess how to prepare for a world with different conditions and continued changes in geo-economics.
Nonetheless, the effects of certain big changes in geo-economics that I have discussed today are already relatively clear in terms of the scope of changes in international trade regulations. Moreover, the impact of these developments could take place within the next five years. Thus, we have a basis and a need to adequately prepare for these fundamental changes in geo-economics. We need to act quickly. Ideally, we should start the preparation now.

(7) Conclusions

I learnt the value of timeliness and discipline in my first job working with Mr. Lovraj Kumar, but as time passes we tend to relax a bit because the costs of inaction are often manageable. I am reminded of the time when as a student I used to recite a hindi couplet of Kabir, sure that the disturbing conditions mentioned in that couplet were a major exaggeration of reality. You would recall Kabir’s words which were something like:

काल करे सो आज करे, आज करे सो अब।
पल में परलय होयगी, फेर करेगा कब।

I never thought that we were ever likely to face "परलय" or immense devastation from the changes around us. Today, with the on-going mega-plurilaterals and their likely effects, the major changes in geo-economics that I have talked about are highly palpable. "परलय" through changing geo-economics is almost at our doorstep. The wisdom and value system of Lovraj Kumar and Kabir should become our clarion call to adequately prepare for this new era of changing geo-economics.