



Position of India

- **Removing tariff restrictions**

India continues to have restrictive market access with tariff barriers representing a more serious impediments than non-tariff barriers. India's tariffs are still high by international standards, and many quantitative restrictions on imports still exist. These high tariffs and import restrictions have constrained U.S. firms from selling in this market and U.S. investors from importing competitive inputs in several industries. India needs to minimise tariff barriers to strengthen trade corporation. For the country would be better to remove tariff restrictions to get more competitive in the world trade. (For example to improve trade with Sri Lanka)

- **Foreign exchange rates**

In five years, the continent of Asia should represent more than one third of world HDP with world trade. The engines of this growth should be China and India. China is set to become India's largest trading partner by this year – end. The both countries profit from the trade deficits of USA. From this point of view it is advantageous for India to have yuan undervalued in compare to USD. Stronger yuan can help India bridge trade deficit. Yuan would help India heavy engineering and power sector units become more competitive vis – a – vis imports from China. Moreover, China wants to import more and more products from India. The government of India is also looking for wise how to undervalue its currency because of having cheaper ware and support its export.

- **Nuclear energy and alternative sources of energy**

The most of population of India lives in the areas with big intensity of solar insolation, that's why also scientists find advantages in use of such sort of energy in India. There is big potential consumer base density too. India's 'New Solar Mission' is the most ambitious solar energy development plan in the world, which was unveiled in New Delhi in 2009. By 2022 the country aims to be generating 20 GW of energy from sunlight. The ministry says that it or organizations such as the Indian Renewable Energy Development Agency can issue green energy bonds, akin to infrastructure and gold bonds. It also says



soft loans and subsidies would be given to the industry to help it ramp up capacity to generate solar power. Going by International Energy Agency forecasts - this will make India the producer of almost three-quarters of the world's total solar energy output. Also, India is the world's fifth largest producer of [wind power](#) after [Denmark](#), [Germany](#), [Spain](#), and the [USA](#).

India stands 9th in the world in terms of number of operational nuclear power reactors and is constructing 9 more. State-owned Nuclear Power Corp has identified four coastal sites to build nuclear park or reactor clusters housing up to eight reactors of 1,000 megawatts each. Now, the NPCIL is aiming for a higher target next year 2011-2012 - generating 32,000 million units - or 45 percent higher than the target of 22,000 million units for the current year 2010-2011. The greatest growth in nuclear generation is expected in China, Japan, South Korea and India.

- **Euro to replace dollar as a world's reserve currency**

India began together with China, Russian federation and states of Persian gulf with a campaign oriented to change currency relations IMF and World Bank. It was suggested that American dollar should be replaced by SDR. The purpose of these proposals is to eliminate the monopoly of FRB to the emission of USD as first world reserve currency and to ensure the control of USD on the basis of international agreements.

- **Brain Drain phenomenon**

Brain drain phenomenon is a problem because for the country it means human capital flight, which refers to the same movement of [financial capital](#). Indian government tried to make an experiment to attract young science researchers back from abroad. Government wants to attract young foreign – trained Indian scientists to return by establishing grant programmes to support postdoctoral work and new independent laboratories. Government offers higher compensation for researchers and science awards for school students, which are the strategies to ensure technological innovation. Multinational R&D centers in India foster innovation and help reverse „brain gain“. The main reasons for brain drain some years back were the lack of attractive jobs and growth opportunities. However, over the



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years, Multinational R&D centers have played a crucial role in creating an ecosystem conducive to growth of individuals which has helped India control the problem of brain drain. In fact, due to the availability of better opportunities in countries like India and China, a reverse brain drain has kick started. Indians in America feel that they are missing the cultural experiences of India and that there are currently better economic opportunities in India, as well. Its also advantageous wise for other developing countries how to bring their educated capacities back.



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