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By Radhicka Pandeya



New Delhi: South-South trade presents a unique opportunity that North-South trade cannot match, said panellists at the World Economic Forum's India Economic Summit in New Delhi on Monday.

"In South-South trade, you have access to innovative technologies that you will not find in North-South trade, that are relevant to the emerging economies of the South, which are similar to India," said Gita Gopinath, professor of economics, Harvard University, during a session on Emerging Economies, Engines of Global Trade.

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India's roads minister Kamal Nath, a former trade minister, attributed the growth of South-South trade to two key aspects: globalization and technology.

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While trade in goods and commodities is growing at a constant rate, it's the South-South trade in services that needs attention, he said. "Trade in services has not kept pace, or not moved at all, as much as trade in goods. If we want to enhance South-South trade then trade in services needs to improve because currently it's a North-North issue and to some extent a North-South issue," said Nath.

He cited the example of the growth in the Indian automobile sector and pointed to the emerging hub of Pune, much along the lines of Detroit.

"The big change that is taking place is capacity building, and this is the new thing that will drive South-South trade," he said.

Canadian minister of international trade Peter Van Loan emphasized the need for fewer trade barriers and more free-trade agreements in the backdrop of the India-Canada free trade talks that are scheduled to start on Tuesday. "You must remember that regional trade agreements are WTO (World Trade Organization) plus," said Nath, adding that depending on the content of such agreements, they become building blocks for multilateral agreements.