

February 3, 2017

A challenging decade ahead for businesses, says Chidambaram

SPECIAL CORRESPONDENT

CHENNAI: For businesses it is going to be an interesting and challenging time for the next 10 years, as more countries move toward protectionism, while some others have started talking in support of globalisation, former Finance minister P. Chidambaram said.

"The countries in the West which have been supporting globalisation are now shifting towards protectionism. Countries like China have now talking in support of globalisation," he said addressing young students.

He was speaking at the inauguration of a two-day national conference on 'Dynamics of changing landscape in business' by the Department of Commerce at Stella Maris College.

Mr. Chidambaram was pointing to the policies adopted by the new US President Donald Trump. "Trump himself was a businessman who benefited from globalisation, and now he is talking about protectionism and creating more jobs in US. Now, the voices of protectionism are growing across Europe".

He pointed out while globalisation had its advantages, it resulted in higher income inequality.

Mr. Chidambaram noted



Former Finance Minister
P. Chidambaram

'Countries in the West are supporting protectionism, while China is supporting globalisation'

that two countries India and China would play a key role in the next 10 years.

"While China is strong in manufacturing, India has been strong in services. India can play a key role provided it remains competitive and still there would be demand for services," he added.

Share of services

He noted that services account for 60% of India's GDP, while manufacturing accounted for 24%. "The share of services is growing and manufacturing is shrinking."

It is easy for a start-up to disrupt services, but it is difficult for them to penetrate manufacturing, Mr. Chidambaram added.