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## BUSINESS

### India, China to drive global economy

#### PressTrust of India

**New York, August 16:** The balance of power will shift to the East as India and China continue to grow over the next decades, a leading American business magazine says.

While the alarm triggered in the West by the trend is understandable, it emphasises that the US and other powers will have to learn to make room for China and India.

For in almost every dimension -- as consumer markets, investors, producers, and users of energy and commodities -- the two Asian nations will be 21st-century heavyweights.

Rarely has the economic ascent of two still relatively poor nations been watched with such a mixture of awe, opportunism, and trepidation, says BusinessWeek Online.

American business, the article stresses, isn't just shifting research work because Indian and Chinese brains are young, cheap, and plentiful. In many cases, these engineers combine skills that often surpass those of their American counterparts.

Cisco's Scheinman is quoted as saying "We came to India for the costs, we stayed for the quality, and we're now investing for the innovation."

"Barring cataclysm, within three decades India should have vaulted over Germany as the world's third-biggest economy," says the weekly.

"By mid-century, China should have overtaken the US as No. 1. By then, China and India could account for half of global output," it says adding the two Asian countries possess the weight and dynamism to transform the 21st-century global economy.

Never has the world seen the simultaneous, sustained takeoffs of two nations that together account for one-third of the planet's population.

To globalization's skeptics, however, what's good for Corporate America translates into layoffs and lower pay for workers. Little wonder the West is

suffering from future shock. Each new Chinese corporate takeover bid or revelation of a major Indian outsourcing deal elicits howls of protest by US politicians.

Washington think tanks are publishing thick white papers charting China's rapid progress in microelectronics, nanotech, and aerospace -- and painting dark scenarios about what it means for America's global leadership, the article says.

"The growing economic might will carry into geopolitics as well. China and India are more assertively pressing their interests in the middle East and Africa, and China's military will likely challenge US dominance in the Pacific."

**What makes the two giants especially powerful, the article points out, is that they complement each other's strengths. Raising the question as to what happens if the two nations merge into one giant "chindia,"** Businessweek says trivial political and economic ambitions make that unlikely. But if their industries truly collaborate, "they would take over the world tech industry," Forrester Research Inc (Forr) analyst Navi Radjou, is quoted as saying.

Managers in the vanguard of globalization's new wave were say the impact will be nothing less than explosive. "In a few years you'll see most companies unleashing this massive productivity surge," predicts Infosys Technologies (Infy) CEO Nandan M. Nilekani.

Surveys of thousands of young adults in both nations by marketing firm Grey Global Group, it says, found they are overwhelmingly optimistic about the future, believe success is in their hands and view products as status symbols.

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