



India-Latin America trade could touch \$30 bn by 2012

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New Delhi: India's trade with Latin America, which increased to \$17.2 billion in 2009 from \$2.1 billion in 2000, could go up to \$30 billion by 2012, given the positive changes in the market and the favourable mindset of the country towards India.

"While, India's exports to the region have increased from \$1.2 billion in 2000 to \$7.5 billion in 2009, the target should be \$15 billion by 2012," recommends R Vishwanathan, ambassador to Argentina, Uruguay and Paraguay.

Latin America, which is a large market of 20 countries, 550 million people, \$4 trillion of GDP, \$7300 per capita income, \$692 billion of exports and \$642 billion imports-2009 figures, contributes to India's food and energy security, with its supply of edible oil and crude petroleum. It is also an important source of supply of minerals to India.

In a study "Business with Latin America" authored by Vishwanathan has suggested that just as the Preferential Trade Agreements with Mercosur and Chile have given a boost to trade, India should consider signing a PTA with Mexico.

Mercosur is becoming a global powerhouse in agriculture with its large production and surplus for exports, vast fertile land area, advanced technologies and best practices. Indian companies should acquire farmland in the region to source edible oil, pulses, sugar and biofuels.

Talking to FE from Buenos Aires, Vishwanathan said that, "The new Latin American market has come out of the past curses of instability, unpredictability and cycles of booms and busts. The Indian businessmen need not waste time reading the history of the region and should look at the current and future scenario which is promising. The study has been sent to ministry of external affairs, ministry of commerce all the export promotion councils and trade and industry bodies."

In September a high level Ficci delegation will be visiting Argentina which will be followed by more visits from other industry and trade bodies over the coming months in an effort to explore avenues for expanding trade with the region, said the envoy.

As per the study Indian companies including NRI firms have invested about \$ 10 billion in the region in IT, pharmaceuticals, agro-chemicals, steel, mining, agribusiness and other sectors. More investment is expected to flow in the coming years as a number of Indian companies have shown interest in entering the region.

"The Latin American market has undergone a paradigm shift and has decisively come out of...