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While China, Russia and even Iran have moved to engage with this resource-rich and strategic region, India remains on the sidelines in the absence of any proactive efforts to forge meaningful partnerships, says BHASKAR BALAKRISHNAN.

The Latin America-Caribbean region (LAC) comprises 21 countries and eight dependent territories with a combined GDP of \$3,330 billion and a population of 563 million. Long considered the exclusive preserve of US policy under the so-called Monroe Doctrine, this region has in recent times felt neglected by the US administration, which is seen preoccupied by problems in other arenas such as Iraq and Afghanistan, and the global war on terrorism.

Taking advantage of this, other players such as China, Russia and even Iran have been actively engaging with the region for economic and strategic reasons.

For India, however, the LAC region remains remote in terms of economic and strategic policy, except for the IBSA engagement with Brazil and some focus on Caribbean countries with substantial Indian diaspora.

China moves fast

Resource-hungry China's trade with the LAC region has soared since late-1990s. China buys Chilean copper, Cuban nickel and cobalt, Brazilian and Uruguayan soy, and Venezuelan, Ecuadorian and Bolivian oil and gas. Trade with China totalled \$102.6 billion in 2007, and the Chinese plan to invest up to \$100 billion in the region over the next five years.

Brazil, Chile and Argentina together have \$28 billion trade with China, which is also negotiating a free-trade agreement with Peru. Almost half of China's foreign investment goes to the LAC region, where it maintains 22 diplomatic missions covering all the countries.

Last month, the second LAC-China summit was hosted in Harbin, Heilongjian, coinciding with a major international trade fair there. (The first summit was held in Santiago, Chile, in November 2007.) Nearly 1,000 officials and entrepreneurs, as well as multilateral institutions, attended the summit.

During a special business session, more than 400 Chinese and 100 Latin American entrepreneurs held 1,100 negotiations within half-a-day and signed 400 MoUs. The Second Round Table Meeting of the China-Latin America Trade Promotion Agency was also held during the summit featuring trade delegation visits and talks, seminar and exhibition fairs, and other efforts to promote substantive cooperation.

Russian inroads

Besides China, Russia too has stepped up its interest in the LAC region, seeking to rebuild relations in the wake of tensions sparked by the Georgia conflict. It is in talks to build a space centre in Cuba.

It has sold billions of dollars' worth defence equipment to Venezuela in recent years and signed oil exploration deals with that country. Russia is also discussing supply of air defence systems, armoured personnel carriers and advanced Su-35 fighter jets to Venezuela.

Brazil has supported Russian participation in major projects of interregional importance, including a 10,000-km transcontinental gas pipeline through the Amazon. Russia has enhanced its engagement

with Nicaragua and Bolivia, and its President Dmitry Medvedev will be in Peru for the Asia-Pacific Economic Co-operation group summit on November 22-23, followed by a weeklong regional trip.

Iran, facing hostile US policy, has also made vigorous efforts to cultivate ties with the LAC region, especially with Cuba, Venezuela, Bolivia, Ecuador and Nicaragua.

With a mere \$12 billion of trade and fewer high-level delegations and investments, India's engagement with the LAC region contrasts negatively with that of China, especially in recent years. The region is geographically closer to China, giving the latter certain advantages.

Missing Indian action

However, the fact remains that India's policy establishment and, consequently, Indian business have not accorded enough attention to this region.

Visits by the Prime Minister or senior ministers are relatively rare and India has embassies in only 13 countries in the region. With little strategic planning or thinking, the India-LAC relationship remains reactive rather than proactive. The fund of goodwill in the region towards India based on admiration for its independent plural democracy, cultural richness and constructive role in foreign affairs, remains unexploited in concrete terms.

There is considerable unexploited potential in India-LAC relations in all fields. The region is rich in natural resources and presents an important market for our exports of goods and services.

Politically, the support of countries in that region would be important for India's bid for election to the UN Security Council in 2011-12 as well as a permanent seat in the expanded UNSC. This calls for greater and sustained economic, political and diplomatic engagement in the LAC region.

Mutual roadmap

Both sides must embark on efforts to promote such mutual engagement. These include: annual India-LAC business summits supported by regional multilateral institutions such as the Economic Commission for Latin America and the Caribbean (ECLAC). The summits could be timed to coincide with major trade fairs;

Special funding could be made available for studies and preparation of commercially viable joint investment projects in areas such as energy, IT, education, healthcare, transport, tourism, entertainment products, biotechnology, pharma and infrastructure. These could be presented and promoted with potential investors and partners on both sides.

The government should aim for improved strategic planning of India's relationship with the LAC region, covering political, economic, security and social sectors; and The creation of specialised research centres and think-tanks focusing on mutual interests should be encouraged. These are small but important catalytic steps that could unleash the great potential for growth and dynamism in India-LAC ties.

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