

# 'Protectionist G20 pushing up export tariffs'

## OUR BUREAU

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The rise of protectionism among G20 countries is pushing up tariffs on exports, thus slowing down global trade, said Michael Debabrata Patra, Executive Director, RBI.

"The biggest engine of globalisation is global trade, which is now under threat due to protectionism. It drastically slows down the global economy and prevents further growth," said Patra at Kristu Jayanti College here.

Talking about the lingering effects of the global financial crisis of 2008, he said: "The period 2000-07 was considered the golden era for the global economy. But the financial crisis of 2008 was the worst since the economic depression of 1930.

"Soon after the crisis hit,

capital flows virtually vanished and bank lending reduced drastically."

### Quicker recovery

However, India recovered comparatively sooner from the collapse due to strategically encouraging foreign investment, he said. India has a vast reserve and could potentially hold its own in the case of another crisis, he added.

World economies are slowing down due to growing number of old people. However, India with a young population, with an average age of 26 years, bucks this trend, he said, adding: "We still have a lot of time to grow."

"India contributes to about one-seventh of the world growth, thus it is estimated that by 2030, India will overtake China as the world's



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**MICHAEL DEBABRATA PATRA**  
Executive Director, RBI

largest economy," he said.

Explaining the importance of agriculture to the Indian economy, Patra said: "India leads the world in several fields of agricultural exports. Yet we still have to increase

the rate of production per acre. There is great potential for India to expand in this area if we wish to join the high table of global economic powers."

### Insolvency board

He explained the efforts of RBI in building the Indian economy and said: "We believe in publicly owned banking systems and bringing banks together. We have set up the Insolvency and Bankruptcy Board of India to effectively deal with the issues of bankruptcy."

On the issue of inflation and how it affects the society, Patra said: "The Monetary Policy Committee discusses, debates and individually votes on controlling interest rates while also seeking to prevent the rise of inflation."