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ANDRES OPPENHEIMER THE MIAMI HERALD

India's growing role in Latin America

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NEW DELHI – When former Chilean President Ricardo Lagos told me once that I should pay more attention to India as an emerging big player in Latin America, I thought he was kidding: There is hardly a country geographically farther away from Latin America than this one.

But after several days interviewing senior Indian officials, I realized that the former Chilean president was right. Following the steps of China, which has dramatically increased its presence in Latin America over the past five years, India is discovering the region as a major business partner, raw materials supplier and political soul mate.

India's trade with Latin America has skyrocketed from \$1 billion a decade ago to \$5.3 billion last year. And judging from what Indian Trade and Industry Minister Kamal Nath told me, trade will double to \$12 billion over the next two years.

India signed a trade agreement with Chile last year, and it hopes to sign similar deals with South America's Mercosur trade bloc and Caribbean countries this year, he said.

In addition, India's investments in Latin America will grow from last year's \$3 billion to more than \$5 billion this year, Indian officials say.

Late last year, India's Jindal Group announced a \$2.3 billion investment in Bolivia's El Mutun iron ore mine. And, with little fanfare, India is beginning to increase its political and public relations activities in the region.

It has co-founded an India-Brazil-South Africa group to map out joint initiatives at the United Nations. Following Prime Minister Manmohan Singh's visit to Brazil and Cuba in September, India intensified its initiatives in the region. Among other things, it paid for much of a \$25 million cricket stadium in Guyana and is offering 350 full scholarships a year to Latin American students.

It's not surprising that 16 Latin American and Caribbean countries have set up embassies here, more than they have in Russia.

“India is in a growth trajectory,” Nath told me, noting that India is likely to grow at 10 percent

annually in coming years. “And Latin America is very important to us.”

While India's trade with Latin America lags far behind China's, Indian officials are working overtime to catch up, as I learned after meeting R. Viswanathan, the Foreign Ministry's head of Latin American affairs.

Unlike most Indian career diplomats, who tend to be low-key bureaucrats, Viswanathan is a highly visible Latin America promoter. His business card reads, “Passionate about Latin America,” and he personally runs three blogs and one Web site, www.businesswithlatinamerica.com, dedicated to the region.

In his office, he showed me what he says is one of India's biggest collections of Latin American literature and movies, which he collected while serving in Brazil and Venezuela.

“I love this job,” he said. When I asked him if all senior Foreign Ministry officials can keep their personal blogs, he admitted with a laugh that it's somewhat unusual.

Other diplomats told me that if he were dealing with Pakistan or other thorny foreign policy issues, he would have to clear every word with his superiors.

Like most other officials and academics here, Viswanathan said India has “a greater affinity” with Latin America than China. India is a democracy with a fiercely independent foreign policy, and it shares Third World goals such as including Latin American countries in an expansion of the U.N. Security Council.

India is also seen as a “softer” power than China, he noted. It is best known in Latin America for its Buddhist history and spiritual movements that are increasingly popular in the region, and for its booming information technology and pharmaceutical companies, he said.

“While China reminds me of 16th century Spain, which was only interested in extracting Latin America's natural resources, India is never going to be an imperial country,” agreed Abdul Nafei, head of the Latin American studies program at Jawahardal Nehru University.

My opinion: Get ready to hear more about India in Latin America. In addition to a 1.1 billion population, democracy and a booming economy, India will offer an alternative economic role model – based on exporting services rather than manufacturing – that some in the region will find more appealing than China's. Lagos, the former Chilean president, knew what he was talking about.