

## India, Japan, Korea Join To Avert Euro Crisis Effect On Asia

**Davos, Jan 28:** Wary of the European debt crisis causing collateral damage all around the world, India, Japan and South Korea are working together to prevent the Eurozone turmoil spreading to Asia.

The united efforts of the three major Asian economies were shared with the delegates at the World Economic Forum meeting by Japanese Prime Minister Yoshihiko Noda.

Noda's announcement was followed by IMF chief Christine Lagarde warning euro crisis could spill over to other regions.

"Japan is already working with South Korea and India to reduce the risk of the crisis spreading to Asia," Noda told WEF through a video-link from Tokyo, last evening.

Pointing out that Europe's crisis could be a major risk for the global economy, he said, "Japan stands ready to support the Eurozone as much as possible."

In another session today, Managing Director of the International Monetary Fund (IMF) said, "No one is immune in the current situation... It is a crisis that could have collateral effect, spillover effect around the world. Everybody has an interest to solve this situation".

Singapore Prime Minister Lee Hsien-Loong also had a word of caution, stating the escalation of European debt crisis would cause serious problems for the entire world.

Lee, however said there was lot of momentum in the Chinese and Indian economies.

Kishore Mahbubani, Dean at the Lee Kuan Yew School of Public Policy, National University of Singapore, underscored importance of India and China.

"Even though there is rising inequality in the world, the long term trend towards less and less poverty is continuing... China and India will contribute in enormous numbers in reducing poverty," he said.

Meanwhile, fearing that recession in Europe and slowdown in some other important developed countries may lead to protectionism, India, Brazil and South Africa (IBSA) underscored the need for resisting protectionism.

Trade ministers of the three countries, including Anand Sharma from India, "underlined the importance of resisting protectionist tendencies in the current global economic scenario, including competitive devaluation and regulatory measures and conceal their real protectionist ends," a joint declaration after the IBSA meeting said.

IBSA ministers met ahead of the informal meeting of important WTO members, including India, US and South Africa.

Expressing disappointment over impasse in WTO Doha talks for a global trade deal, Sharma said, "Global economic conditions are challenging, this is almost fourth year of recession. The only way is to engage more and work for a multilateral trade regime,"

The IBSA said, developed countries had caused distortions by high-level of protection in the form of

tariffs and subsidies in agriculture.

After the WTO informal meeting, US Representative Ron Kirk said, "I would be very reserved about expressing my optimism but the good thing was that there was no backtracking from the things agreed upon at the Geneva meeting (in December)."

Even when there is a feeling among the developing countries that the US was not keen on pushing for a global Doha deal, Kirk said his country committed to trade liberalisation.