Strategic Trade and protectionism Theories and Empirics
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Lecture – 03
India's International Trade: Latest Facts and Figures

Hi friends. Welcome, once again to this module of NPTEL on Strategic Trade and Protectionism Theories and Empirics. We already began with two lectures which broadly talks about, how India actually you know plans for plans for a strategy visa v many other challenges, and why it you know protectionism is so, required in Indian context. Given the fact that we have so, many you know challenges so many game theoretic strategy developed by competing countries specially China.

So, we are the neighboring country though with the neighboring Asian country with China our strategy at the stage is very very pertinent. So, friends what I try to you know proceed with this lecture is on you know is on emphasizing, some of the latest facts how India is connected to the globe. Especially you know in terms is exports imports and its deficits balance up payment problems and in our current account deficits, and also we are supposed to know in order to understand the empirics on trade you know strategies.

We are also supposed to know very clearly on what is called you know the directions of trade why trade so, we have already discussed a bit of it in the last two lecture this is our 3rd lecture. So, it my myself Dr. Pratap C Mohanty as a faculty member of humanities and Social Science Department of IIT Roorkee. Now out of the 20 lectures this is the 3rd one.

I mean in the first week itself we are trying to develop a complete background of international trade, you know to go for understanding theory. So, while understanding or capturing the background we are also supposed to know some of the important cases like institution crisis bubble in the west gets bust.

So, some of the things are actually captured in today's lecture. And so, as an anecdote to this lecture let we mention that the mention very clearly that latest facts are collected from

resources that is very very important those who are serious in pursuing high studies on international trade and doing research on international trade.

They are supposed to know the exact source of the data. So, we have minister of commerce dedicated for this you know sector, minister of commerce under these ages of minister of commerce we have called DGFT Directors General of Foreign Trade which I have mentioned in this slide only, DGFT for your clarification let me mention to you DGFT is here is clearly mentioned directories in trade off foreign trade.

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And also the most authentic source of international trade data is Indias trade portal another source, even comptrade as well as India has comtrade and Reserve Bank of India. Since it is the you know macroeconomics facts collected from various sources, various other

international bodies like IMF, WTO are the pioneering organizations behind the database we are going to capture.

Now so, why is it so, required? You know my only concern here to explain international trade and to derive you know exact theories and strategies of trade for better protection to Indias trade. We are supposed to understand why these facts. The first point I have thought of understanding is in the context of big country versus small country arguments.

So, in some sense you know big country gets benefited and in other saying small country also gets benefited. So, protecting by usually the needs we have in research in international trade that big country always have win situation, as against the small countries which is a myth which is actually a myth.

And so therefore, we need to understand big in the sense what kind of big is it the big market in terms of demand and supply. So, demand defines big or supply side defines big so, you need to understand from the data. So, our data in this lecture captures facts very clearly recent facts very latest facts for the understanding of big versus small countries. So, accordingly we can plan for trade protectionism and strategic trade.

So, then next idea you know of collecting data is also to understand what data, data in isolation is nothing data just describing by its descriptive natures is not nothing, unless we attach to the exact you know theories on it or the exact you know theoretical connections to it or the theoretical construct to explain many you know complex situations. So, another aspect is I have already pointed out in the last class that we are supposed to understand the intra industry trade versus inter industry trade through the data.

Or let me point it out point out in this particular context that India and many other developing countries are actually tapping the best benefit in this segment intra industry trade segment. Because of the fact that whose is the one theoretical reasons behind this is differentiated products, and that too differentiated products are derived based on differentiated demand and

India is poised with huge population we have you know different sections of population with different you know income groups.

And therefore, we have variety of demand so, in variety of demand calls for calls for intra differentiated products and hence intra industry trade. So, this is what I have already explained in the previous lecture with a rough diagram on it. Then we have certain data to justify to this argument also, spiritually I will emphasize some aspects of input contains, contains in the exports basket; exports basket so; that means, what is the replacement cost of input, and how much value added Indian government or Indian you know exporters do so therefore, trade is you know beneficial.

And that is very very important additions to the theories, and this is this was you know developed by many theories specially the major credit goes to Krugman in his you know piece of literature on intra industry trade. And the derive the argument behind these through Leon TF you know input output analysis. Then besides that we have once we have understood you know intra industry and inter industry segments in our trade basket.

We are supposed to know how much it protects to our country if the country is actually imposing some kind of restrictions as against another one. So, just protection is not enough so, effective protection is important. So, we are going to talk about what is called effective protection. So, how much you know protection for the raw materials so, the intermediate goods are actually very important for countries you know internal development.

So, that is another aspect should be emphasized and we have dedicated sessions for these points. Then, so we have once understood these we are also supposed to know different extent of tariffs and non tariff measures. So, percentage of tariffs and non tariff barriers imposed by the different countries I have already discussed in our last class. Now then another strategy as I also pointed out called trade creation versus trade diversion.

So, how trade is created among some countries and how trade is diverted. A classic example or the very latest example for these is eurozone, being a member in the eurozone or excluding themselves from the eurozone actually differentiate their position. And accordingly they are

cut off from some countries while the you know they are adding certain values with new member countries. So, this is one set of you know data set which will be clarifying things you know in a better way.

So, therefore, when we emphasize trade creation versus trade diversion we are supposed to know trade blocks. We are actually trying to understand regionalism versus multi regionalism concept in this connection. Now one another aspect theory which is connected to data emphasized by Jagdish Professor Jagdish Bhagwati, in his very earlier work on 1957 walk where Jagdish Bhagwati derived as a you know context where many developing countries specially India is actually suffering in its terms of trade you know content of its basket of products.

Specially the countries which are over emphasizing their some varieties of product in their export basket, derive less advantage to their terms of trade. And what do you mean by terms of trade? This is export prices of export to price of services of imports.

So, when we have over emphasization of exports of same varieties, that will undermine its competitiveness in the international market. Though it captures market, but so, far as the pricing strategies are concerned it may derive lower value. So, which was actually emphasized by Professor Bhagwati in the context of agricultural products mostly agricultural products, mostly or its a textile or the low end varieties products exported by India, exported by India.

So, now, we need to actually check how much or which content of export, to which direction of exports and how much re exporting we do from these and we can able to validate Professor Jagdish Bhagwatis concept of immerse rising growth rate. So, therefore, facts are very important as an anecdote to the understanding of all of the theories.

So, let us dig down further in explaining you know the terms of trade or even the you know initializing growth rate intra industry trade. Then to some extent you know why regionalize regionalism is possible if you do not understand the nature of products the nature of type of

countries it is too difficult to understand. I have already talked about this slide, but I did not emphasize in the last class therefore, it is our duty to start with in detail.

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Data categories	Unit	2015-16	2016-17	2017-18	2018-19
External Sector					
Merchandise export growth (in US$ term)	(per cent)	-15.5	5.2	10.0	8.8
Merchandise import growth (in US$ term)	(per cent)	-15.0	0.9	21.1	10.4
Current Account Balance	% of GDP	-1.1	-0.6	-1.9	-2.6
Foreign Exchange Reserves (end of year)	US$ billion	360.2	370.0	424.5	412.9
Average Exchange Rate	₹/US$	65.5	67.1	64.5	69.9

Source: Economic Survey 2018-19

Now, this slide is very same just in you know one week back economic survey was presented in our parliament show this is the very latest database. We try to capture different years, and its comparison to understand export growth rate in terms of the US dollar, then import growth rate, then current account balance, then its connection with it foreign exchange reserves or average exchange rate which are very very important you know in points of international trade.

Now merchandise expose which are broadly discusses exports of commodities. And now, its there have been by percentage you know if you look at as compared to its previous year its negative and steadily increasing. But very recently it is not picking up, because we know

there are some you know cyclical changes taking place. And now if you look at input growth rate, input growth rate in terms of US you know dollar term similarly our import growth rate is much higher than that of export growth rate.

So, we have you know higher dependence on imports as compared to exports. So, therefore, there are high chances of current account deficit, if you look at; if you look at it national basket and its dependence of export and import current account deficit is in is explained in negative terms now this has been increased since our dependencies much higher and imports.

So, now one of the; one of the paradoxical note to current account you know deficit is our higher you know exchange rate reserves. That is majorly corroborated by higher you know remittances from many countries specially you know gulf countries and middle east countries, are excess rate is you know quite in a darker side it is not you know improving, but you know since the since our dependencies have been on foreign products.

So, therefore, foreign demand so, foreign products our tourism sector is not also rising so, therefore, some of the you know connotations can be derived here in later lectures.

Sl No	Item	2013-14	2014-15	2015-16	2016-17	2017-18	2017-18 Apr-Dec	2018-19 Apr-Dec P
1	2	3	4	5	6	7	9	8
I	Current Account							
1	Exports	3,18,607	3,16,545	2,66,365	2,80,138	3,08,970	2,26,753	2,49,869
2	Imports	4,66,216	4,61,484	3,96,444	3,92,580	4,69,006	3,45,166	3,95,142
3	Trade Balance (1-2)	-1,47,609	-1,44,940	-1,30,079	-1,12,442	-1,60,036	-1,18,413	-1,45,272
4	Invisibles (net)	1,15,313	1,18,081	1,07,928	98,026	1,11,319	82,762	93,407
	A. Services	73,066	76,529	69,676	68,345	77,562	57,398	60,254
	B. Income	-23,028	-24,140	-24,375	-26,302	-28,681	-20,861	-20,452
	C. Transfers	65,276	65,692	62,627	55,983	62,438	46,225	53,605
5	Goods and Services Balance	-74,544	-68,411	-60,402	-44,098	-82,474	-61,015	-85,019
6	Current Account Balance (3+4)	-32,296	-26,859	-22,151	-14,417	-48,717	-35,651	-51,865

Caption: Balance of Payments (US$ million)

Now, you know to understand international trade and its dimensions very clearly balance of payments should be also understood in detail. So, what you mean by balance of payment? It is basically a detailed record an accounting record of all transactions take place between the member countries or the home country as compared to the you know partner countries specially within one year.

So, it is basically an accounting record which follows the double a you know accounting bookkeeping you know pattern to record all its you know details. So, broadly we have three accounts under balance of payment current account, in the next slide I will talk about you know capital account, then third one is majorly called reserves account.

II	Capital Account							
	Capital Account Balance	48,787	89,286	41,128	36,447	91,390	66,366	35,275
	i. External Assistance (net)	1,032	1,725	1,505	2,013	2,944	1,514	2,160
	ii. External Commercial Borrowings (net)	11,777	1,570	-4,529	-6,102	-183	-1,175	2,785
	iii. Short-term credit	-5,044	-111	-1,610	6,467	13,900	9,357	553
	iv. Banking Capital(net) of which:	25,449	11,618	10,630	-16,616	16,190	11,561	15,496
	Non-Resident Deposits (net)	38,892	14,057	16,052	-12,367	9,676	5,040	6,977
	v. Foreign Investment(net) of which	26,386	73,456	31,891	43,224	52,401	43,718	14,766
	A. FDI (net)	21,564	31,251	36,021	35,612	30,286	23,879	24,820
	B. Portfolio (net)	4,822	42,205	-4,130	7,612	22,115	19,839	-10,054
	vi. Other Flows (net)	-10,813	1,028	3,242	7,460	6,138	1,393	-485
III	Errors and Omission	-983	-1,021	-1,073	-480	902	-378	-912
IV	Overall Balance	15,508	61,406	17,905	21,550	43,574	30,338	17,502
V	Reserves change [increase (-) / decrease (+)]	-15,508	-61,406	-17,905	-21,550	-43,574	-30,338	17,502

So, first one is called current account which captures the you know merchandise trade and services. So, merchandise states broadly covers these exports and imports of goods, and invisibles where services are actually included. In these two cases if you look at over the years and even in quarter last quarter as well which is available in our latest economic survey data survey you know report.

Exports you know the changes we have already seen in the previous lecture. So, I just here to find out how here in the a sense called current account balance which takes care of exports imports and invisibles. So, we have negative the rate is actually becoming higher so therefore, the you know current account deficit is actually rising.

Now in capital account segment where you know the transactions are of broadly of two types majorly of two types; FDI segment we have an FDI foreign investment segment, portfolio

investment there are other investment channels also like you know external assistance external commercial borrowings and short term credit banking capitals.

So, in total we have capital account adjustment as well. While there are some you know imbalances in the current account capital account can be adjusted to that extent. And if there is any mismatch so, reserve account actually make its balance. So, accordingly we get balance of payment pictures.

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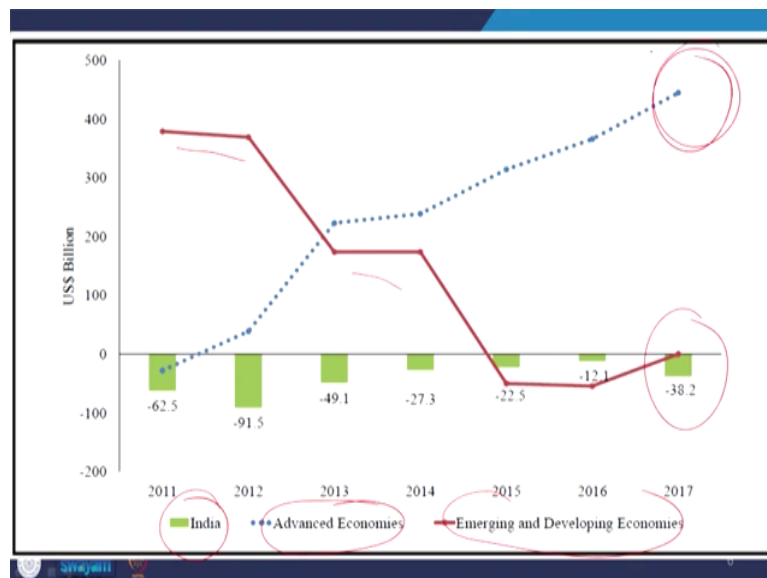
Now, what we have observed here from the slide is that Indias current account is in deficit. Now as a background to current account and capital account and our transaction for our currency is concerned and accordingly the average demand of our you know national currency Indian rupee is concerned. We are supposed to know that why is the case that you know Indian currency in the capital account is not demanded.

So, much one of the very important you know reasons behind the less demand for Indian rupees is the fact that it is not convertible in capital account though you understand convertibility in capital account. So, there was basically a committee constituted called Tarapur Community do you know this no not exactly.

So, Tarapur Committee was constituted in a for this particular purpose in understanding or making our you know currency to be convertible in any of the accounts. So, after the Tarapur Committee which was set off, only permission or was granted where current account has been made convertible in all these transactions.

So, now, you can understand current account any kind of transactions under current account where you know Indian rupee can be easily transacted. Where is any channels of capital account Indian rupees is not being demanded. So, since Indian rupees are not demanded and the bulk of the investment are through capital account. So, our rupees is not demanded so, the value of rupee is actually decelerated.

Now there are again you know gamut of discussions which are very important for Indian context as compared to its Chinese context when we you know try to understand try to understand you know rupees devaluation strategy some country go for a devaluation and some country go for an evaluation of rupees. So, China deliberately you know deliberately devalue its currencies.

So, in order to attract you know various forms of international demand. So, again you know those are the discussion we can defer it to other section. So, at this moment I do not think we have enough time to spare for those aspects so, but the facts are very important why capital account, current account is important direction of trade is important I have already discussed here on the deficits, but now the important fact or the matter of contention here is in comparing India with advanced countries and emerging countries.

So, here is the emerging country and this direction. So, we are among the all emerging countries like Brazil, you know even China, even you know Russia South Africa, even many

other Mexico among all those countries India is you know comparatively better off, but the in current account deficit since you know advanced countries are far better than that of those emerging countries.

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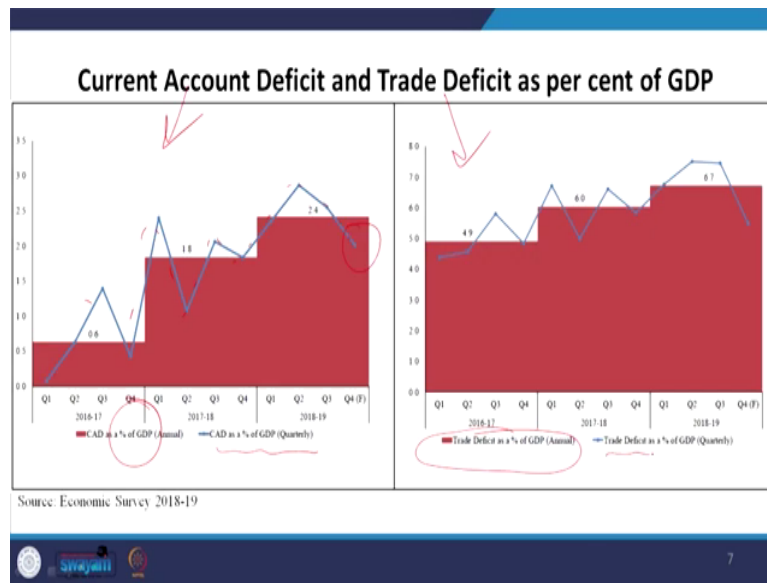
Now, look at current account deficit and trade deficit so, this side is for trade deficit and this side is for current account deficit as a percentage of GDP. So, we are supposed to actually measure all those things as a percentage of GDP in order to have a better capture, so we have already seen that 2.6 percent. So, far as the latest figure is concerned CAD current account deficit as a percentage of GDP.

And this is this side is quarterly wise clearly defined here it is CAD in highlighted in red color CAD as a percentage of GDP where its next id CAD as a percentage of GDP, but the figure is quarterly. So, there is a cause therefore, it is a continuous series since quarterly pictures are

there. Now similarly trade deficit is a total trade deficit is higher then and it's you know quarterly report is also presented accordingly.

Now, what I tried to also capture the trade war which we have already discussed in the last class where you know very recently we have witnessed US China trade war, since there these are the two biggest giants in mass market for their products the trade war may lead to other strategies in order products specially you know crude oil.

So, crude oil maybe actually capture maybe you know; maybe you know censored by specific countries who reserves oil US may take advantage out of it, but there is there are many interpretations for it. If they capture the you know hegumanize the price are paid provably you know there might be other forms of collusion which might be you know retaliated by other developing countries based on the unionism.

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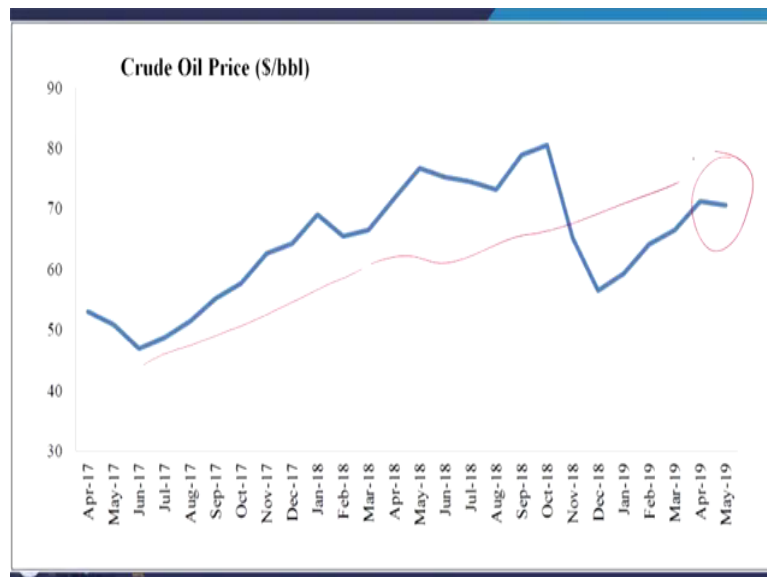
So, therefore, crude oil is it is a matter of concern because it is steadily rising increasing. So, therefore, we are supposed to know it in detail.

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Now, in order to understand the current account balance its deficit we hear the diagram which present export destination of India as per the latest figure 20 18 19. Now look at our export destination highest by percentage to US as compared to; as compared to other countries and now among the top most top 10 countries, Nepal is one of our export destinations also. So, though it is a very small economy, but now look at the market capture by Nepal.

So, therefore, small economy should not be neglected. Now US followed by UAE and why UAE? Then what kind of product to UAE you know Gulf countries you know Arabic countries and Gulf countries followed by again China. Here I may mention some of the facts the UAE we re export you know we refine their crude oil re export to United Arab Emirates

by adding value to it. Where we are again emphasizing the concept of IIT Intra Industry Trade and you know China how we are dependent on their hardwares IT hardwares specially. And we have you know better capture in softwares so, we are net exporters of softwares.

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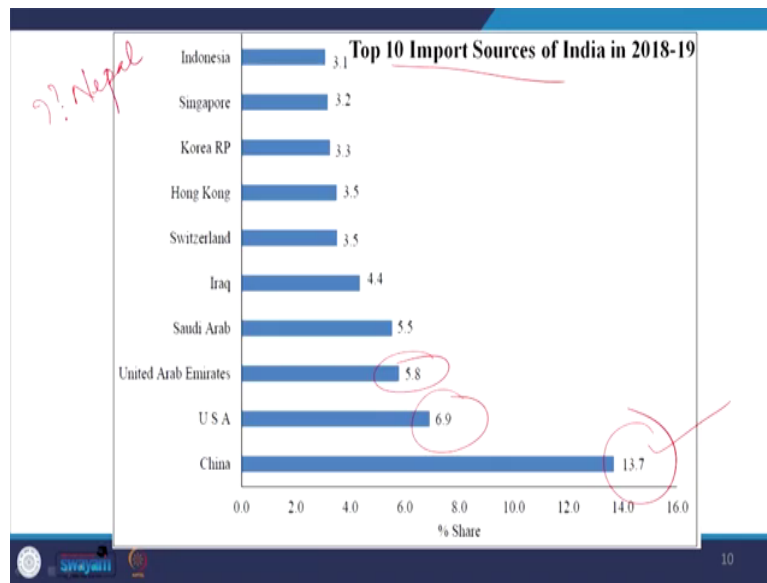
So, now similarly if you try to understand top 10 import sources where we import where we depend. Now very you know ironically we are exporting much higher to China we are actually importing from China as well. Where exporting higher amount to US you are also you know importing from US similarly you know.

It seems as if our dependence on those countries is much higher. Now look at here you know Nepal when is our dependence on Nepal is not there ok. So, where our export master they derive much value additions from the small countries.

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Top Ten Export Destinations of India in 2017-18				Values in US$ billion	
Rank	Country	2016-17	2017-18	%Growth	%Share
1	USA	42.22	47.88	13.42	15.78
2	United Arab Emirates	31.18	28.15	-9.72	9.27
3	Hong Kong	14.05	14.69	4.58	4.84
4	China P RP	10.17	13.33	31.08	4.39
5	Singapore	9.56	10.20	6.67	3.36
6	UK	8.55	9.71	13.58	3.2
7	Germany	7.18	8.69	20.96	2.86
8	Bangladesh PR	6.82	8.61	26.31	2.84
9	Vietnam Soc. Rep	6.79	7.81	15.13	2.57
10	Nepal	5.45	6.61	21.26	2.18

So, now let us move to other year capture some time component to the you know top 10 export destinations in 2016 to 18. Now their percentage growth to US is much positive in these 2 years. And where is our percentage growth in those 2 years is actually negative this is a bigger you know concern for India.

Similar to Hong Kong as in China these are positive and in other countries it is much positive as well. So, we do not have any you know metro content in other sections, but specially in you know UAE context. So, we are not adding value so, much to the raw materials we are importing.

Top Ten Export Destinations of India in 2018-19				Values in US$ billion	
Rank	Country	2017-18	2018-19	%Growth	%Share
1	USA	47.88	52.43	9.49	15.88
2	United Arab Emirates	28.15	30.13	7.04	9.13
3	China P RP	13.33	16.75	25.62	5.07
4	Hong Kong	14.69	13.00	-11.49	3.94
5	Singapore	10.20	11.57	13.41	3.51
6	UK	9.71	9.33	-3.94	2.83
7	Bangladesh PR	8.61	9.21	6.96	2.79
8	Germany	8.69	8.90	2.48	2.70
9	Netherland	6.26	8.81	40.73	2.67
10	Nepal	6.61	7.76	17.40	2.3

So, we are we are supposed to know the raw materials in detail. Let us compare to these 2 years 17 18 2017 18 to 2019 and now our addition we have net positive again net positive here then net positive here, but in Hong Kong case it was dissilated in the previous year again it is dissilated later in the recent years.

So, we need to actually understand what are the cases for Hong Kong in our respective section how why Hong Kong is actually in Hong Kong case we are not re exporting or not exporting our total value. Similarly, UK is the negative figure as well we need to understand in their respective section.
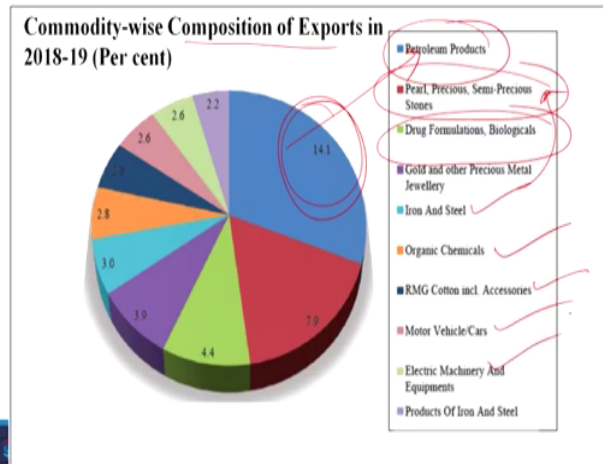
So, far as comparison of trade is concerned production is concerned from its destination countries or the sources of source countries. So, commodities exported in 2018 19 highest amount look at highest amount here is 14.1 percent after the 100 percent you know exports captured by petroleum products, this is petroleum products.

So, we export we are the net exporter of petroleum products. Now it is very surprising to note that we are exporting the highest amount highest value of petroleum products to the producing countries of petroleum products to specially to Gulf countries. And though we have in you know various fact with Iran in even in some other you know other Gulf countries as well.

Second highest component is gems and jewelry segment a precious metals and also gems and jewelry as well, drugs also we are the third largest producer of pharmaceutical you know
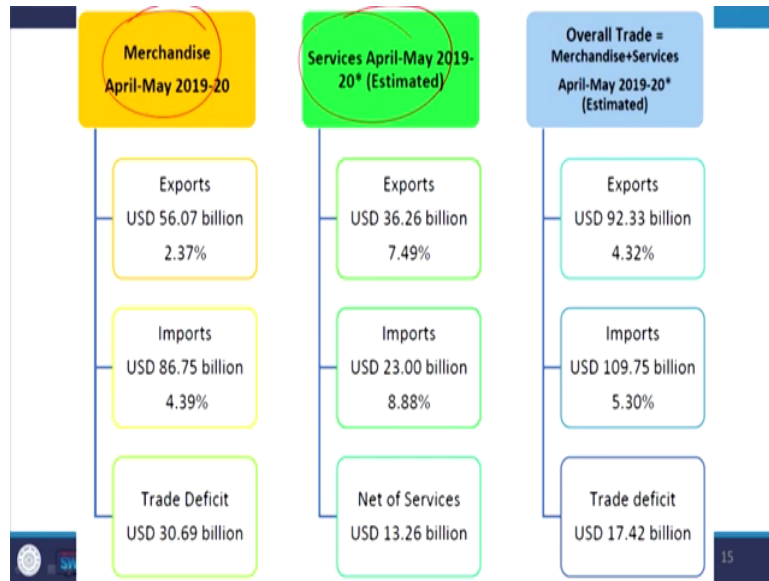
products. And similarly iron organic chemicals, then cotton related accessories, motor vehicles, electro machine machineries, equipments etcetera.

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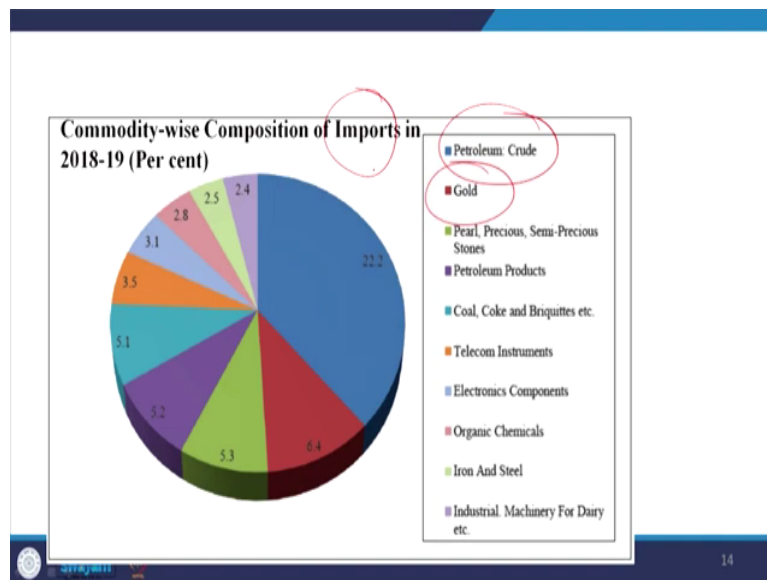
Once you look at it is imports baskets imports composition as I already said we import more petrol crude oil and re export those things to those countries to get better values, import also crude you know gold and it process it in our refinery burn different, different units specially in Gujarat and Surat areas and we re export it.

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Merchandise April-May 2019-20	Services April-May 2019-20* (Estimated)	Overall Trade = Merchandise+Services April-May 2019-20* (Estimated)
Exports USD 56.07 billion 2.37%	Exports USD 36.26 billion 7.49%	Exports USD 92.33 billion 4.32%
Imports USD 86.75 billion 4.39%	Imports USD 23.00 billion 8.88%	Imports USD 109.75 billion 5.30%
Trade Deficit USD 30.69 billion	Net of Services USD 13.26 billion	Trade deficit USD 17.42 billion

There are other segments where you can follow it from the slides in detail. Now, these are the further components of merchandise trade and you know services we have better you know capture for services is against merchandise. So, I think this is well explained in our previous lecture previous lecture as well as you know a couple of minutes back. Now, this is the exports of top 10 commodities we have already said, but this is a time component analysis of it I have already explained.

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| | | | | Values in US$ billion | |
Rank	Commodity	2016-17	2017-18	%Growth	% Share
1	Petroleum Products	31.55	37.47	18.77	12.34
2	Pearl, Precious, Semi-Precious Stones	24.92	25.87	3.8	8.52
3	Drug Formulations, Biologicals	12.67	12.91	1.92	4.25
4	Gold and other Precious Metal Jewellery	11.93	12.81	7.31	4.22
5	Iron And Steel	8.68	11.24	29.5	3.7
6	RMG Cotton incl. Accessories	8.51	8.51	-0.03	2.8
7	Motor Vehicle/Cars	7.55	8.47	12.26	2.79
8	Marine Products	5.90	7.39	25.18	2.43
9	Organic Chemicals	4.84	7.14	47.44	2.35
10	Products Of Iron And Steel	5.90	6.77	14.84	2.23

Exports of Top Ten Commodities in 2017-18

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Rank	Commodity	2017-18	2018-19	%Growth	%Share
1	Petroleum Products	37.47	46.54	24.23	14.10
2	Pearl, Precious, Semi-Precious Stones	25.87	25.98	0.43	7.87
3	Drug Formulations, Biologicals	12.91	14.39	11.46	4.36
4	Gold and other Precious Metal Jewellery	12.81	12.94	1.02	3.92
5	Iron And Steel	11.24	9.74	-13.36	2.95
6	Organic Chemicals	7.14	9.33	30.58	2.83
7	RMG Cotton incl. Accessories	8.51	8.69	2.16	2.63
8	Motor Vehicle/Cars	8.47	8.50	0.32	2.58
9	Electric Machinery And Equipments	6.71	8.42	25.58	2.55
10	Products Of Iron And Steel	6.77	7.26	7.22	2.2

Exports of Top Ten Commodities in 2018-19

These exports of top 10 commodities this is another time component of it can be followed from my slides in detail.

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S. No.	Year	Exports	Growth (%)	Import	Growth (%)	Trade Balance
1	2009-10	178.75	-3.53	288.37	-5.05	-109.62
2	2010-11	249.82	39.76	369.77	28.23	-119.95
3	2011-12	305.96	22.48	489.32	32.33	-183.36
4	2012-13	300.40	-1.82	490.74	0.29	-190.34
5	2013-14	314.41	4.66	450.20	-8.26	-135.80
6	2014-15	310.34	-1.29	448.03	-0.48	-137.70
7	2015-16	262.29	-15.48	381.01	-14.96	-118.72
8	2016-17	275.85	5.17	384.36	0.88	-108.51
9	2017-18	303.53	10.03	465.58	21.13	-162.06
10	2018-19	330.07	8.75	514.03	10.41	-183.96

Merchandise Trade — Values in US$ billion

Source: DGCI&S, Kolkata.

And our merchandises merchandise traits over time I have already explained, but earlier look at its growth. We have already corroborated two digit growth rate of our GDP. So, there are you know some negative you know merchandise trade as well in different year, but look at the rates in these years are much higher.

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S. No	Year	Exports	Growth (%)	Imports	Growth (%)	Net of Services
1	2009-10	96.04	-9.36	60.03	15.34	36.02
2	2010-11	124.64	29.77	80.55	34.19	44.08
3	2011-12	142.32	14.19	78.23	-2.89	64.10
4	2012-13	145.68	2.36	80.76	3.24	64.91
5	2013-14	151.81	4.21	78.75	-2.50	73.07
6	2014-15	158.11	4.15	81.58	3.59	76.53
7	2015-16	154.31	-2.40	84.63	3.75	69.68
8	2016-17	164.20	6.41	95.85	13.25	68.34
9	2017-18	195.09	18.81	117.53	22.61	77.56
10	2018-19 (P)*	205.79	5.49	125.46	6.75	80.33

Services Trade — Values in US$ billion

So, our external segment was actually adding much value to our country's growth, see and we have huge leverage in the service sector and it is clearly understood exactly in this year even in recent years also.

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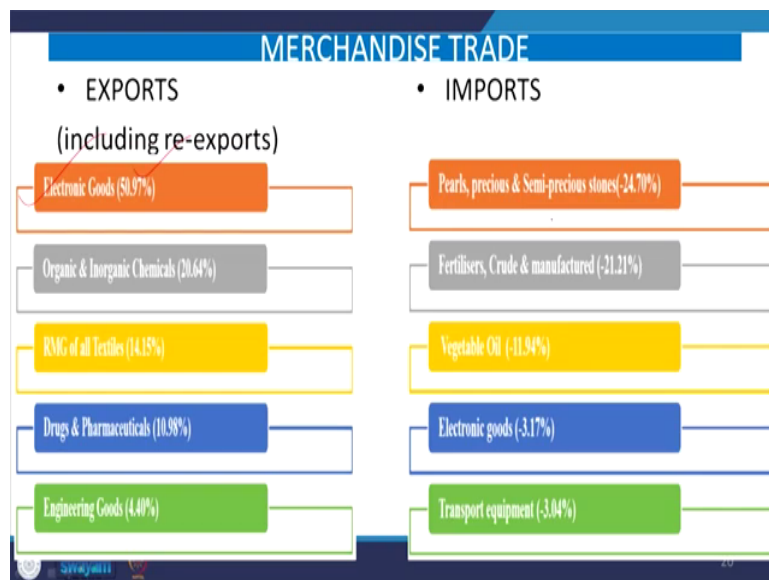
Now, I have already said electronic goods we have you know re exporting value is very high and in import segment negatively attaching attached to you know precious and semi precious stones.
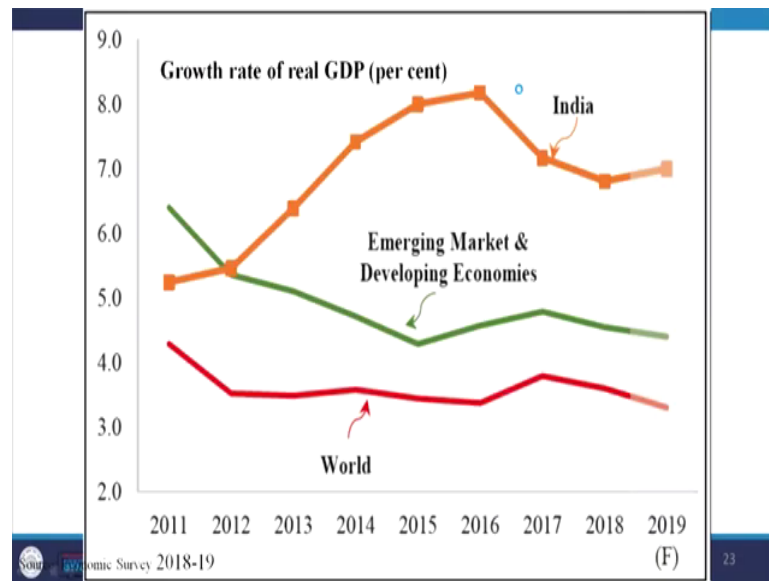
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Now, we you can follow other details from these links I have already said in my PPT you can look at these links for top 10 top 25 and for import and export destination.
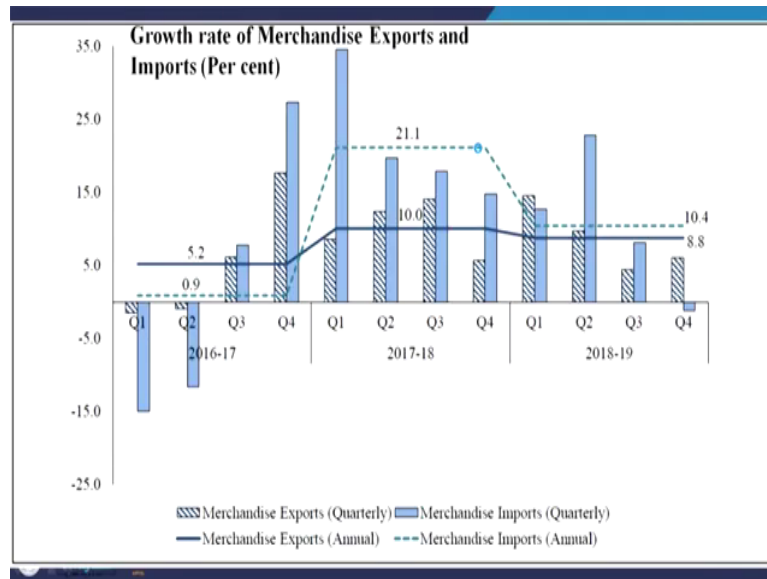
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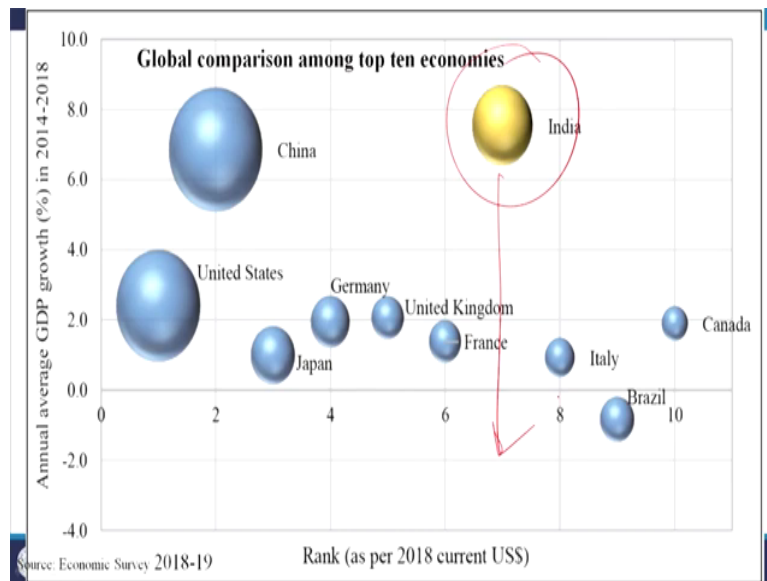
I have already explained these India is the seventh among all the top 10 countries and you know. So, far as its reserves is concerned we have the highest and so, far as an international pp terms we have we are the third largest look at the volume of the bubble.

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We have already explained these this one we have already explained the last class, but still for your clarity growth rate we mentioned that we have better growth rate so, it is much higher than other countries.

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Table 1: India's Share in Global Trade

(Figures in USD billion)

India's Exports of Merchandise		India's Imports of Merchandise	
Value	Share/Rank	Value	Share/Rank
313	1.7% (19th)	466	2.5% (12th)
India's Exports of Commercial Services		India's Imports of Commercial Services	
Value	Share/Rank	Value	Share/Rank
151	3.2% (6th)	125	2.8% (9th)

Source: WTO's World Trade Report, 2014

Growth similarly you can follow from the slides India share in global trade more or less I have already discussed no need to discuss in detail.

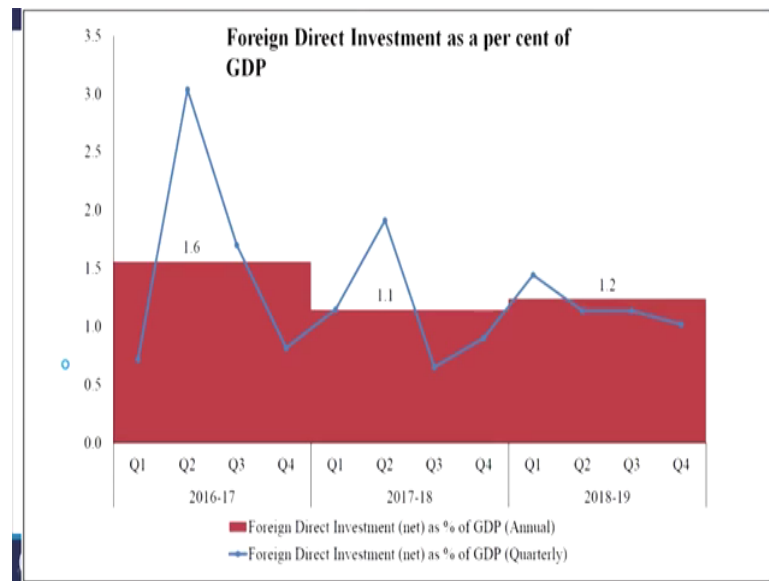(Refer Slide Time: 32:50)

Fig. 1.1a: Trade Deficit
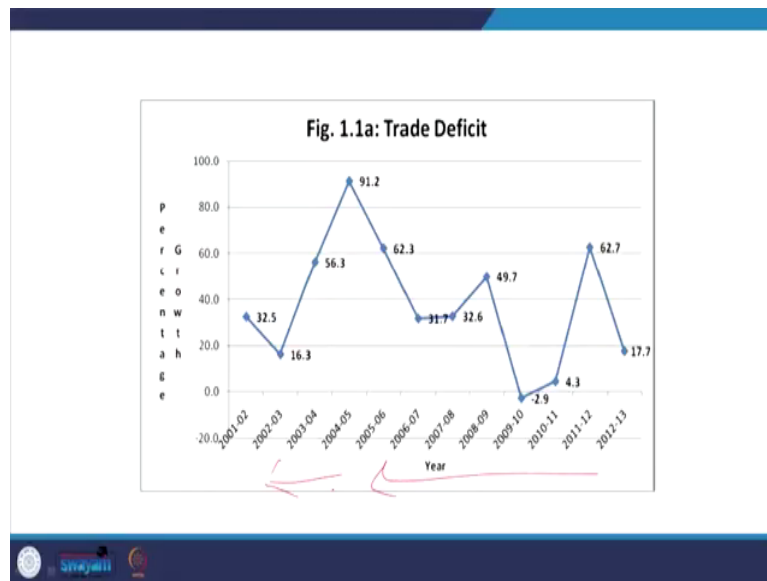
In other years you can follow from my slides we will emphasize while explaining things in other classes.
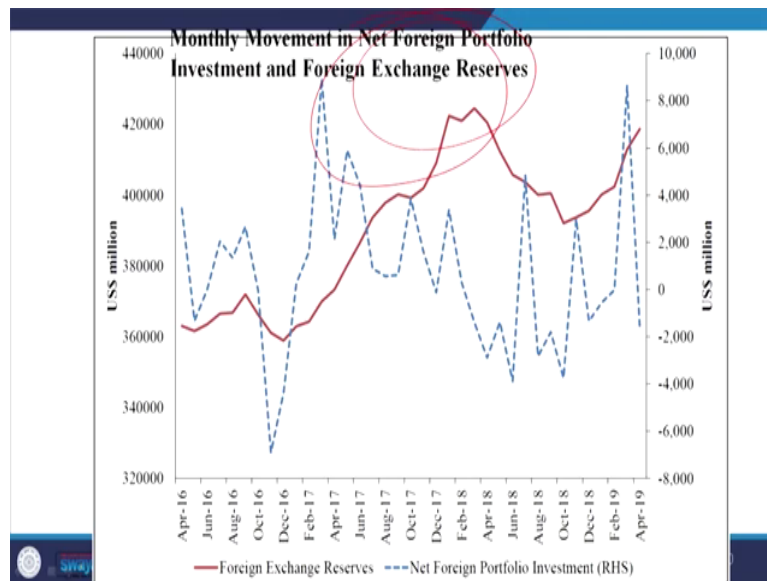
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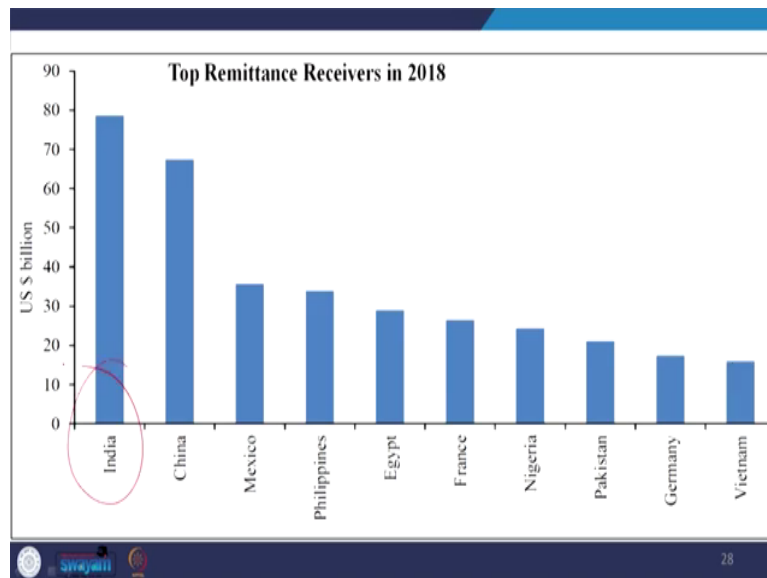
Remittances wise as I told you India is the highest recipient of remittances therefore, our reserves is very high.
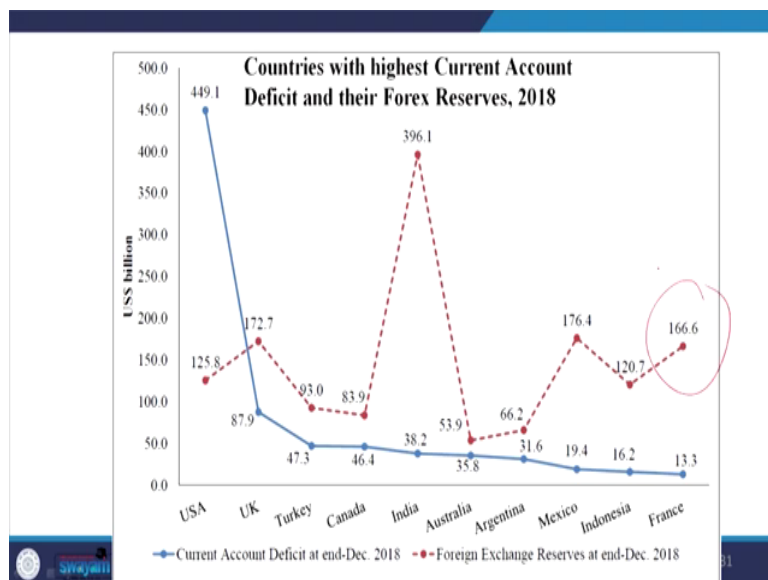
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Foreign direct investment we are little you know low in this segment and as compared to China. So, we need to improve in this particular aspect.

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So, these details reserve segment as I told you foreign exchange reserves it is consistently higher.

Even much higher than that of any other countries so, you know. So, broadly I talked about the patterns of trade destination sources then re exporting by value over the time component. We will carry forward some of these facts in terms of strategies to our next class in this week, where we will emphasize some policies which facilitates our trade like this with this I think I should stop here we will explain all rest in next class.

Thank you so much.