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India's Shifting Trading Patterns and Partners

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Abstract:

In the next 3 years that is by 2027, India dreams of becoming the world's third-largest economy with a focus on a GDP of 5 trillion dollars being the only country behind China and the United States. This ambition goes one step ahead with the aim of touching \$7 trillion by 2030 with the help of continued reforms. India was ranked as the 10th largest economy in the world in the year 2012 with a GDP of 1.9 trillion US dollars at current market prices. Today, it is the 5th largest with a GDP of US\$ 3.7 Trillion (estimate FY 2024). Global commerce is constantly influencing the future prospects of the Indian economy, due to the importance of trade. Trade serves as a new outlet for the country's internal production and somewhere in a very tactical way, India is trying to place itself as the 'Manufacturing Hub' of the world to not only satisfy its internal demands but also meet export targets. In this paper, an attempt is made to examine the trends and patterns in terms of bilateral trade with G20, BRICS, SAARC, and ASEAN member nations from the date of the establishment to measure their impacts on the exports and imports they have on the Indian Economy.

Keywords: International Trade, GDP, Exports, Imports, BRICS, SAARC, ASEAN, G20.

Introduction:

When we talk about the prosperity of a country trade comes out to be one of the important areas for study both at the national and international level. Basically, a trading activity happens when all the factors of production are not available at one single place at a time. The Heckscher-Ohlin theory also known as the Factor Proportion Theory which was developed by Eli Heckscher and Bertil Ohlin stated in their model that countries will export products that use their abundant and cheap factors of production and import products that use scarce factors of production of the country. Importantly what is highlighted in this theory is that no single country has all the resources it needs, so international trade is beneficial as it allows countries to specialize and trade based on their

resource endowments. Manufacturing, investment, and consumption activities are spread across different regions around the world, rather than being concentrated in a single location. Consequently, the diversity of productive resources plays a significant role in shaping international trade and is vital to a country's economic development. (Krueger, 1980) As a result, every country is actively engaged in trading activities (National and International) not only to meet their economic needs but also to strengthen their trade and economic relationships with other nations.

Trading activity is not a new concept for Indian Economy. It is as old and holds a rich diversity of trading history as some other countries (developed and developing) of the world have. The Indian economy has been predominantly agrarian, a characteristic that has persisted since the earliest records documented by historians. Those historical records also note that, over time, the textile industry has become the second-largest contributor to the nation's growth. It has employed millions of people across the country. The 16th and 17th century India in particular was known for the quality of its textiles, and for centuries was involved in a brisk trade with Far and Southeast Asia. Apart from textiles India also traded in spices and cotton which was majorly imported to Arab countries.

Literature Review:

Kaldor (1967) and Krugman (1984) provided foundational theories suggesting that output growth directly influences export growth. Kaldor postulated that as output increases, productivity improves, leading to higher exports. Similarly, Krugman argued that economies of scale and increased output lead to enhanced export performance (Krugman, 1984).

Uddin, Khan & Alam (2010) empirically studied the casual relationship between the export, import, and GDP (Gross Domestic Product) of Bhutan.

Methodology: Granger Causality Test

Findings: The study found a significant causal relationship between exports and GDP growth, indicating that exports play a crucial role in Bhutan's economic development. However, imports did not significantly impact GDP growth as they primarily consisted of consumer durable goods rather than capital goods

Velnampy and Achchuthan (2013) conducted a study to explore the relationship between imports, exports, and economic growth in Sri Lanka.

Methodology: Regression Analysis

Findings: The study found that imports contributed to 13% of economic growth, while exports accounted for 10%. The textile industry, including its raw materials, played a dominant role in both imports and exports. The researchers recommended support for SMEs and entrepreneurship to drive economic growth.

Turan and Karamanaj (2014) analyzed the relationship between imports, exports, and GDP growth

in Albania. **Methodology:** Time Series Regression Model

Findings: Exports positively impacted GDP, with a 1% increase in exports boosting GDP by 0.58%. Conversely, a 1% increase in imports reduced GDP by 0.23%

Mukherji and Pandey (2014) investigated whether India's economic growth is influenced by its export rate. **Methodology:** Vector Auto Regression (VAR), Granger Causality Test, and Impulse Response Function

Findings: The study disproved the export-led growth hypothesis for India. Instead, it found that GDP growth drives export growth, indicating that domestic market expansion and increased productivity lead to higher exports

Bakri and Mabrouki (2017) conducted a study on how exports and imports impact Panama's economy. **Methodology:** Johansen Co-integration Analysis and Granger-Causality Tests

Findings: The study highlighted Panama's strategic advantages in international trade, such as a diverse range of export products and efficient trade facilitation. The removal of subsidies was identified as a significant opportunity to strengthen Panama's trade position

Objective of Study:

- No comprehensive study has been made in the past on such a topic.
- To examine the trends and patterns of India's bilateral trade with G20, BRICS, SAARC & ASEAN member Nations from the date of coming into effect respectively.
- To assess the overall impact of all these nations on the overall exports and imports of the Indian Economy.

Methodology:

The study is based on a Longitudinal Research approach method utilizing export and import data obtained from reliable sources of the Ministry of Finance (values in US\$ Million). Statistical analysis techniques, including calculation of growth rates, highest and lowest trade (export & import), and percentage share of the total export and import values, are employed to analyze & identify trends, patterns, and shifts in India's trade over the specified period to derive meaningful insights into the trade relationships.

Analysis and Result:

Bilateral Trade Relations of India with G20 Nations in Comparison to the Overall Trade:

The Group of Twenty (G20) is a key platform for international economic cooperation and has been instrumental in addressing a wide range of economic issues, including financial stability, trade, and climate change. Its membership includes 19 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, and the United States) and the European Union, representing two – thirds of the world's population and 85% of global GDP

and over 75% of the global trade.

Years	Overall Export from India	Overall Import to India	Total Exports to G20 Nations from India	% SHARE	Total Imports from G20 Nations to India	% SHARE
1998-99	33,218.72	42,388.71	-	-	-	-
1999-00	36,822.49	49,738.06	24,578.66	66.74	27,964.05	61.38
2000-01	44,560.29	50,536.45	27,431.42	61.56	23,083.02	45.67
2001-02	43,826.72	51,413.28	25,862.05	59.00	25,312.11	49.23
2002-03	52,719.43	61,412.14	32,602.97	61.84	30,749.90	50.07
2003-04	63,842.55	78,149.11	37,494.24	58.72	39,745.54	50.85
2004-05	83,535.94	1,11,517.43	48,726.85	58.33	53,736.46	48.18
2005-06	1,03,090.53	1,49,165.73	61,714.54	59.86	71,916.16	48.21
2006-07	1,26,414.05	1,85,735.24	72,786.01	57.57	1,02,720.96	55.30
2007-08	1,63,132.18	2,51,654.01	89,986.57	55.16	1,43,958.01	57.20
2008-09	1,85,295.36	3,03,696.31	95,548.19	51.56	1,65,322.40	54.43
2009-10	1,78,751.43	2,88,372.88	91,694.41	51.29	1,57,831.00	54.73
2010-11	2,49,815.55	3,69,769.10	1,21,555.62	48.65	1,87,625.36	50.74
2011-12	3,05,963.92	4,89,319.49	1,50,728.98	49.26	2,50,271.15	51.14
2012-13	3,00,400.58	4,90,736.65	1,49,633.31	49.81	2,45,242.30	49.97
2013-14	3,14,405.30	4,50,199.79	1,58,136.81	50.29	2,29,036.24	50.87
2014-15	3,10,338.48	4,48,033.41	1,56,089.52	50.29	2,35,229.39	52.50
2015-16	2,62,291.09	3,81,007.76	1,31,956.02	50.30	2,17,012.01	56.95
2016-17	2,75,852.43	3,84,357.03	1,37,805.45	49.95	2,19,154.76	57.01
2017-18	3,03,526.16	4,65,580.99	1,58,482.36	52.21	2,64,629.33	56.83
2018-19	3,30,078.09	5,14,078.42	1,73,220.82	52.47	2,81,485.86	54.75
2019-20	3,13,361.04	4,74,709.28	1,69,315.58	54.03	2,62,389.10	55.27
2020-21	2,91,808.48	3,94,435.88	1,67,896.51	57.53	2,25,070.91	57.06
2021-22	4,22,004.40	6,13,052.05	2,46,787.26	58.47	3,36,873.17	54.95
2022-23	4,51,070.00	7,15,968.90	2,61,326.56	57.93	4,26,430.98	59.56
2023-24	4,37,072.03	6,78,214.76	2,55,983.62	58.56	4,15,486.53	61.26

Source: Author's Contribution

The table above shows the Total amount (US\$ Million) of Exports from India to the world (Column 2), the Total amount (US\$ Million) of Imports to India (Column 3), Exports to G20 Nations (Column 4), Percentage Share of Exports to G20 Nations in respect to Column 2, Imports from G20 Nations (Column 5), Percentage Share of Imports from G20 Nations in respect to Column 3. The table clearly shows that a major chunk of exports and imports of India are happening with the G20 nations. The lowest percentage share of exports stood at 50.29% in the years 2013-14 and 2014-15 the highest at 66.89% in 1998-99 and the lowest percentage of imports stood at 45.61% in the years 2000-01 and the highest at 62.74% in 1998-99.

Trade Growth:

- **Exports to G20:** G20 nations have been crucial destinations for Indian exports. India's total exports to G20 nations grew significantly from US\$ 24,578.66 million in 1999-00 to US\$ 2,55,983.62 million in 2023-24. This represents a nearly 10-fold increase over the period. This indicates strong trade relationships and dependency on these nations for export revenues.
- **Imports:** The increasing share in recent years suggests growing import dependency on G20 nations, particularly for critical goods and technology. Imports from G20 nations increased from US\$ 27,964.05 million in 1999-00 to US\$ 4,15,486.53 million in 2023-24, indicating a significant rise in India's dependence on these nations for imports.

G20 Nation's Role:

- **Exports Share:** The share of G20 nations in India's total exports has remained consistently high, fluctuating between 48.65% and 66.74%. In 1999-00, G20 nations accounted for 66.74% of India's total exports, and by 2023-24, this share stood at 58.56%.
- **Imports Share:** Imports from G20 countries have also been significant, with shares ranging from 45.67% in 2000-01 to 61.26% in 2023-24. In 2023-24, the G20 accounted for 61.26% of India's imports, reflecting the group's crucial role as a source of imports for India.

Year-on-Year Variation:

- **1999-00 to 2006-07:** During this period, both exports and imports saw steady growth, with G20 nations consistently making up more than 55% of India's total trade.
- **2008-09 Financial Crisis:** The global financial crisis in 2008-09 led to a dip in India's trade with G20 nations. Exports fell slightly, but the import share remained relatively stable around 54-57%.
- **Post-2010 Recovery:** The period after 2010 saw renewed growth in trade, with exports to G20 countries crossing US\$ 1,21,555.62 million in 2010-11 and continuing to rise, reaching US\$2,55,983.62 million in 2023-24.
- **2020 Pandemic Effect:** In 2020-21, there was a drop in both exports and imports due to the

COVID-19 pandemic, but G20's share in India's exports and imports remained above 57%, indicating their continued importance.

Significance of G20 in India's Trade:

- The G20 nations account for more than half of India’s trade, making the group a pivotal partner in India's global economic engagements. This includes major economies like the US, China, Japan, Germany, and the EU, which are key markets for Indian exports and major sources of essential imports such as machinery, technology, and energy.
- The relatively high export percentage (above 50%) suggests that G20 economies are prime destinations for Indian goods, particularly in sectors like IT services, pharmaceuticals, and textiles.

Challenges and Opportunities:

- The table shows that India has consistently run a trade deficit with G20 nations, importing more than it exports. This deficit widened in recent years, particularly with large economies like China, which supplies a significant amount of electronics and machinery.
- To reduce its reliance on imports, India could focus on diversifying its exports to G20 countries, expanding sectors like renewable energy technology, electric vehicles, and other high-tech industries.

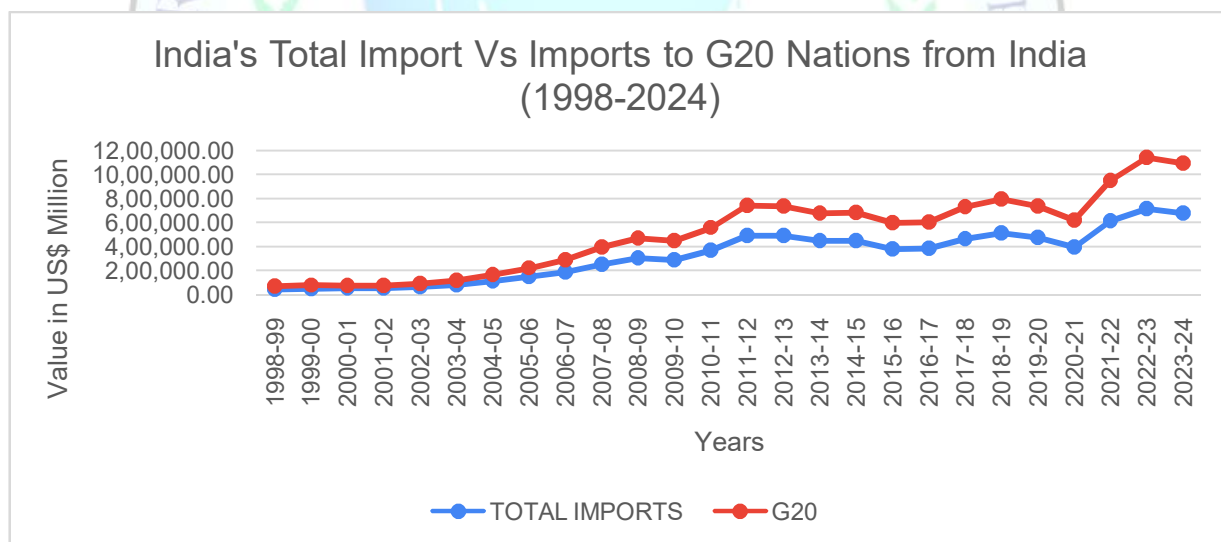


Figure:1, Source: Author’s Contribution

The graph above shows a time series analysis of the total imports that occurred from 1998 to 2024 concerning India and particularly from G20 nations. The Overall lowest import value of India was US\$ 42388.71 million that happened in 1998-99 and the highest import value stood at US\$ 715968.9 million in the year 2022-23. On the contrary, the lowest import value from G20 nations stood at US\$ 23,083.02million and the highest import value at US\$ 4,26,430.98 million in 2022-23. The value of imports started declining from 2008 (financial crisis) and it continued till the end of

2009 after which an upward moving trend started but it did not last for a long period and again from 2011 onwards the imports of the country started declining till 2016. In early 2020 import value fell to the level of 2015-16, and 2016-17 (the economy was closed due to the spread of Covid) but in the latter period when economy was reopened, we see an exponential growth in the imports and it reached an all-time high in 2022. When we look at the G20 nations import data we find that it is following the same pattern as that of the total imports of India during the said period which gives a basis us a basis to interpret that more or less a large portion of imports of India during the mentioned period happened with the G20 nation only as compared to the rest of the world.

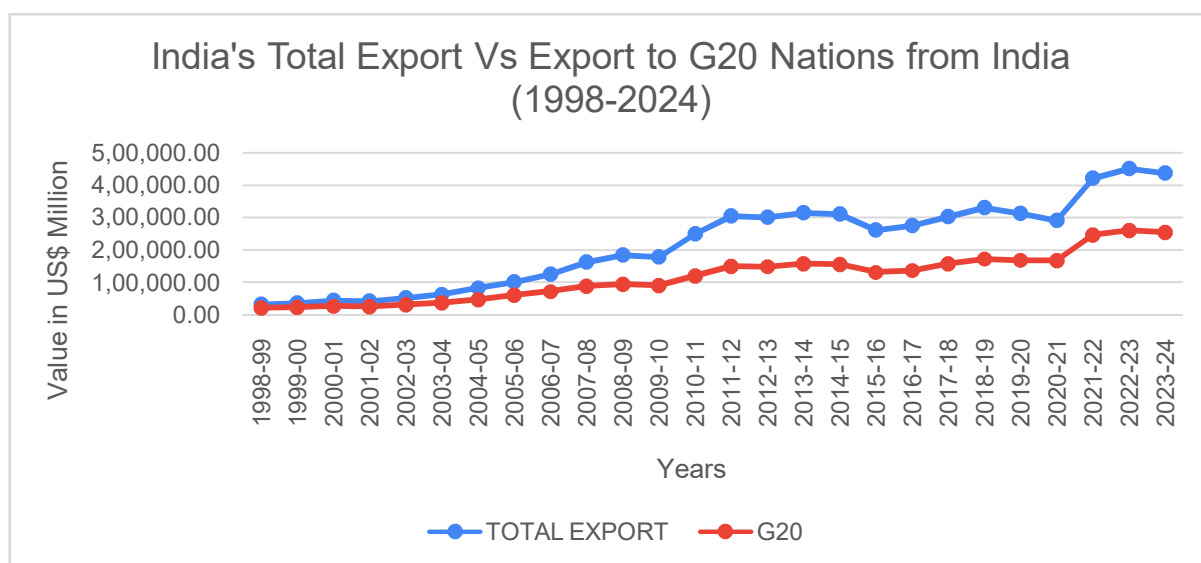


Figure:2, Source: Author's Contribution

The Overall lowest export value of India was US\$ 36,822.49 million which happened in the year 1999-00 and the highest was US\$ 4,51,070.00 million in 2022-23. On the contrary, the lowest export value exported to G20 Nations was US\$ 24,578.66 million in 1999-00 and the highest export value stood at US\$ 261326.56 million in the year 2022-23. A rapid export growth can be seen from 1998-99 till 2008-09 and almost similar pattern can be seen with G20 Nations exports.

Bilateral Trade Relations of India with BRICS in Comparison to the Overall Trade.

BRICS is an informal group of states comprising the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China, and the Republic of South Africa.

It was the Russian side that initiated the creation of BRICS.

On 20 September 2006, the first BRICS Ministerial Meeting was held at the proposal of Russian President Vladimir Putin on the margins of a UN General Assembly Session in New York. Foreign ministers of Russia, Brazil, and China and the Indian Defence Minister took part in the meeting. They expressed their interest in expanding multilateral cooperation.

YEARS	Total Exports to BRICS from India	% Share	Total Imports from BRICS to India	%Share
2006-07	10,674.79	8.44	20,876.42	11.23
2007-08	14,337.85	8.78	30,574.51	12.14
2008-09	13,101.28	7.07	38,011.26	12.51
2009-10	15,012.86	8.39	37,828.78	13.11
2010-11	23,794.82	9.52	57,769.20	15.62
2011-12	30,355.75	9.92	75,321.12	15.39
2012-13	26,986.02	8.98	70,193.54	14.30
2013-14	27,572.38	8.76	64,725.22	14.37
2014-15	25,297.08	8.15	76,559.81	17.08
2015-16	16,837.58	6.41	76,281.44	20.02
2016-17	18,055.37	6.54	76,783.78	19.97
2017-18	22,335.62	7.35	97,287.08	20.89
2018-19	27,009.37	8.18	87,083.84	16.93
2019-20	27,705.99	8.84	82,398.52	17.35
2020-21	32,021.80	10.97	81,282.18	20.60
2021-22	37,088.74	8.7887	1,21,119.65	19.7568
2022-23	36,846.95	8.1688	1,61,788.83	22.5972
2023-24	35,649.58	8.1565	1,79,641.78	26.4874

Source: Author's Contribution

Trade Growth:

- **Exports:** India's exports to BRICS countries increased from US\$ 10,674.79 million in 2006-07 to a peak of US\$ 37,088.74 million in 2021-22, before slightly decreasing to US\$ 35,649.58 million in 2023-24. While the overall value of exports has risen, it has shown fluctuations across the years.
- **Imports:** Imports from BRICS have grown more significantly, from US\$ 20,876.42 million in 2006-07 to a staggering US\$ 1,79,641.78 million in 2023-24, showing an overall growth rate of 760.49%, reflecting the growing importance of BRICS nations as key suppliers to India.

Percentage Share of Total Trade:

- **Exports Share:** The percentage of India's total exports to BRICS nations has fluctuated between 6.41% and 10.97%, showing that while BRICS is a significant export market, it accounts for only a moderate portion of India's overall exports. The highest share occurred in 2020-21 when BRICS accounted for 10.97% of India's total exports.
- **Imports Share:** The percentage share of BRICS in India's total imports has increased steadily, reaching its highest point in 2023-24, when 26.49% of India's total imports came from BRICS countries. This trend shows the growing dependence of India on imports from BRICS Nations, particularly China and Russia.

Trade Deficit:

- India consistently runs a trade deficit with BRICS nations, as imports have significantly outpaced exports. This deficit has widened over the years, with the largest gap observed in 2023-24, where imports (US\$ 1,79,641.78 million) were more than five times the exports (US\$ 35,649.58 million).
- The growing trade deficit indicates that BRICS countries, especially China, are vital suppliers of goods to India, while India exports relatively less to the bloc.

Year-on-Year Trends:

- **2006-07 to 2011-12:** Exports and imports both grew rapidly during this period. Exports nearly tripled, from US\$ 10,674.79 million to US\$ 30,355.75 million, while imports more than tripled, from US\$ 20,876.42 million to US\$ 75,321.12 million.
- **2012-13 to 2015-16:** This period saw a decline in exports and a stagnation in imports. Exports dropped from US\$ 30,355.75 million in 2011-12 to US\$ 16,837.58 million in 2015-16, while imports stayed around US\$ 70-76 million.
- **2016-17 to 2023-24:** Trade activity resumed growth, with imports accelerating significantly, particularly after 2017-18, reaching US\$ 1,79,641.78 million in 2023-24. Exports also grew but at a slower pace.

BRICS as a Strategic Trade Partner:

- The data above shows that BRICS nations are increasingly significant trade partners for India, particularly in terms of imports.
- China, the largest trading partner within BRICS, accounts for a substantial portion of India's imports, particularly for electronics, machinery, and other industrial goods. Russia has become a key energy supplier, especially in the aftermath of geopolitical shifts such as the Russia-Ukraine conflict.

Challenges and Opportunities:

- The widening trade deficit with BRICS, especially with China, poses challenges to India's

economic balance. The deficit suggests that India is heavily dependent on BRICS for critical imports, while not exporting enough to balance the trade.

- India could focus on diversifying its exports to BRICS nations, particularly with Brazil and South Africa in sectors like IT services, pharmaceuticals, and agriculture, where India holds a competitive advantage. This will not only help in balancing its trade deficit with BRICS Nations but at the same time will help reduce dependency on China for bulk imports.

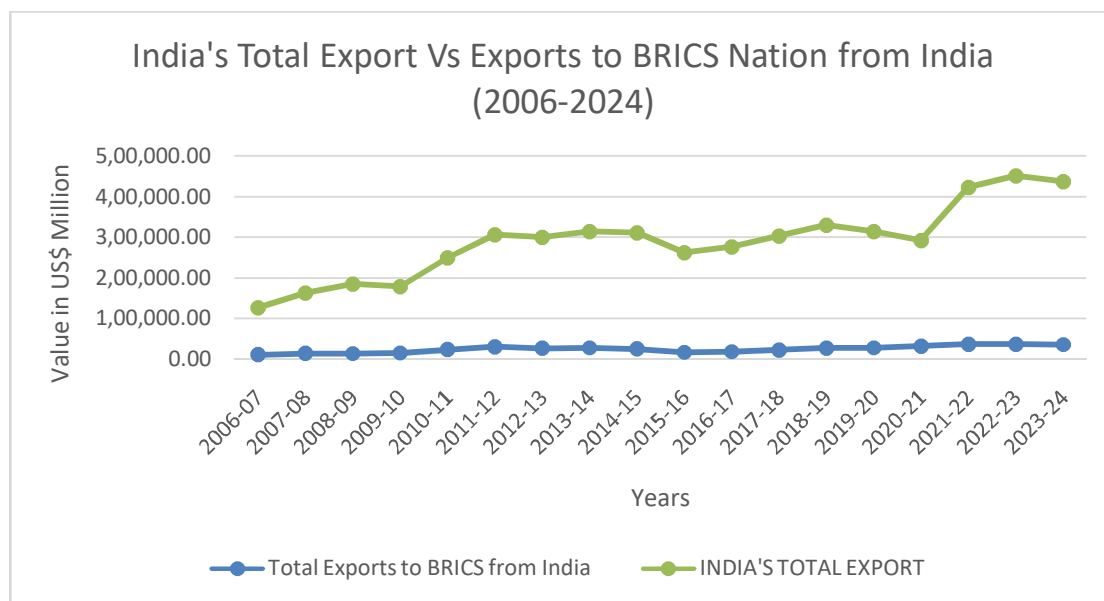


Figure:3, Source: Author's Contribution

The time series analysis given above shows the overall picture of exports that happened between India and other BRICS Nations. The lowest export to other BRICS Nations from India stood at US\$ 10,674.79 million in the year 2006-07 and the highest at US\$ 37,088.74 million in the year 2021-22 showing a percentage growth of 247.44%.

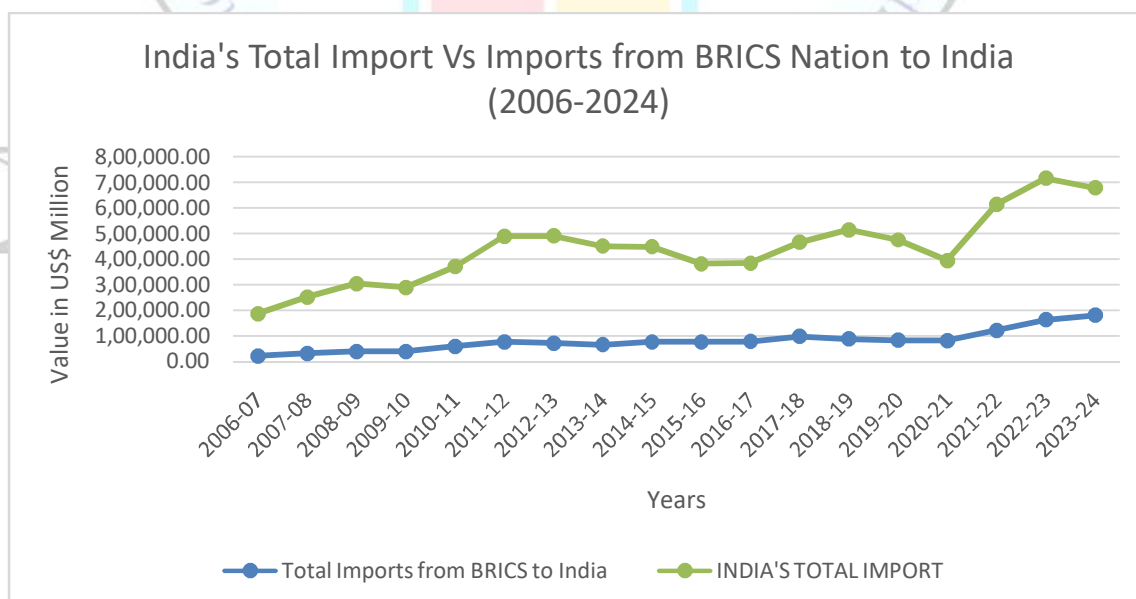


Figure:4, Source: Author's Contribution

The lowest import stood at US\$ 20,876.42 million and the highest at US\$ 1,79,641.78 million showing an overall percentage growth of 760.50% that is India imported 207 times more from BRICS Nations then what it has exported to it. Overall, the entire picture presents a scenario that shows that a lot of untapped market is still present in this BRICS Nation for the Indian economy to tap in.

Bilateral Trade Relations of India with SAARC in Comparison to the Overall Trade.

The South Asian Association for Regional Cooperation (SAARC) was established with the signing of the SAARC Charter in Dhaka on 8 December 1985. SAARC comprises of eight Member States: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. The Secretariat of the Association was set up in Kathmandu on 17 January 1987.

Table:3 Value of Exports and Imports of SAARC Nations and the Percentage Share in Respect of the Total Exports and Total Imports of India (1985-2024)
(Value: US\$ Million)

YEARS	Total Exports to SAARC from India	% Share	Total Imports from SAARC to India	%Share
1985-86	-	-	-	-
1986-87	-	-	-	-
1987-88	-	-	-	-
1988-89	-	-	-	-
1989-90	-	-	-	-
1990-91	-	-	-	-
1991-92	-	-	-	-
1992-93	-	-	-	-
1993-94	-	-	-	-
1994-95	-	-	-	-
1995-96	-	-	-	-
1996-97	1701.65	5.04	239.26	0.61
1997-98	1610.96	4.63	234.30	0.56
1998-99	1679.21	5.05	465.56	1.09
1999-00	1394.63	3.78	397.64	0.79
2000-01	1928.54	4.32	465.90	0.92
2001-02	2,026.01	4.62	571.51	1.11
2002-03	2,724.13	5.16	511.97	0.83

2003-04	4,148.05	6.49	668.80	0.85
2004-05	4,440.70	5.31	950.19	0.85
2005-06	5,404.98	5.24	1,354.89	0.90
2006-07	6,291.70	4.97	1,473.08	0.79
2007-08	9,388.55	5.75	2,007.38	0.79
2008-09	8,172.89	4.41	1,691.65	0.55
2009-10	7,927.14	4.43	1,532.15	0.53
2010-11	11,234.18	4.49	2,027.34	0.54
2011-12	12,785.57	4.17	2,392.24	0.48
2012-13	14,638.07	4.87	2,520.39	0.51
2013-14	17,029.51	5.41	2,264.21	0.50
2014-15	20,057.46	6.46	2,668.94	0.59
2015-16	18,067.58	6.88	2,667.11	0.76
2016-17	18,715.80	6.78	2,520.50	0.65
2017-18	22,391.16	7.37	2,768.88	0.59
2018-19	24,633.38	7.46	3,927.58	0.76
2019-20	20,943.80	6.68	3,305.73	0.69
2020-21	21,252.01	7.28	2,867.63	0.72
2021-22	33,674.33	7.97	4,975.44	0.81
2022-23	27,589.63	6.11	4,993.23	0.69
2023-24	25,268.21	5.78	4,528.72	0.66

Source: Autor's Contribution

Trade Growth:

- **Exports:** Over the observed period given above, India's exports to SAARC Nations have grown significantly from US\$ 1,701.65 million in 1996-97 to a peak of US\$ 33,674.33 million in 2021-22, showing a growth of 1,878.92% during the said period. After which a decline of 24.96% has been witnessed in 2023-24.
- The percentage share of India's total exports to SAARC Nations peaked at 7.97% in 2021-22, reflecting the importance of SAARC as a trade partner during this year.
- **Imports:** India's imports from SAARC nations have remained relatively low compared to its exports. The imports rose from US\$ 239.26 million in 1996-97 to US\$ 4,993.23 million in 2022-23.
- Despite the increase in absolute values, the percentage share of SAARC in India's total imports has remained consistently below 1%, indicating that while India exports significantly to SAARC nations, it imports less from them.

Trade Deficit with SAARC:

- Throughout the period, India consistently runs a trade surplus with SAARC Nations, with its exports being much higher than its imports. The surplus has grown over the years as exports have outpaced imports.

Year-on-Year Trends:

- 2007-08 to 2011-12 saw consistent growth in both exports and imports. Exports grew from US\$9,388.55 million in 2007-08 to US\$ 12,785.57 million in 2011-12, while imports grew marginally.
- 2015-16 to 2017-18 was another significant period of growth, with exports increasing from US\$18,067.58 million to US\$ 22,391.16 million, showing rising trade within the SAARC Nations.
- The sharp rise in exports in 2021-22 (over US\$ 33 million) could be indicative of recovery post-pandemic and India’s increased economic engagement with neighbouring SAARC Nations.

Percentage Share Trends:

- The share of exports as a percentage of India's total exports has generally ranged between 4% and **approx. 8%**, showing that SAARC is a moderately important trade partner for India.
- The percentage share of imports has remained consistently low, not exceeding 1%, emphasizing the limited role of SAARC in contributing to India’s total imports.

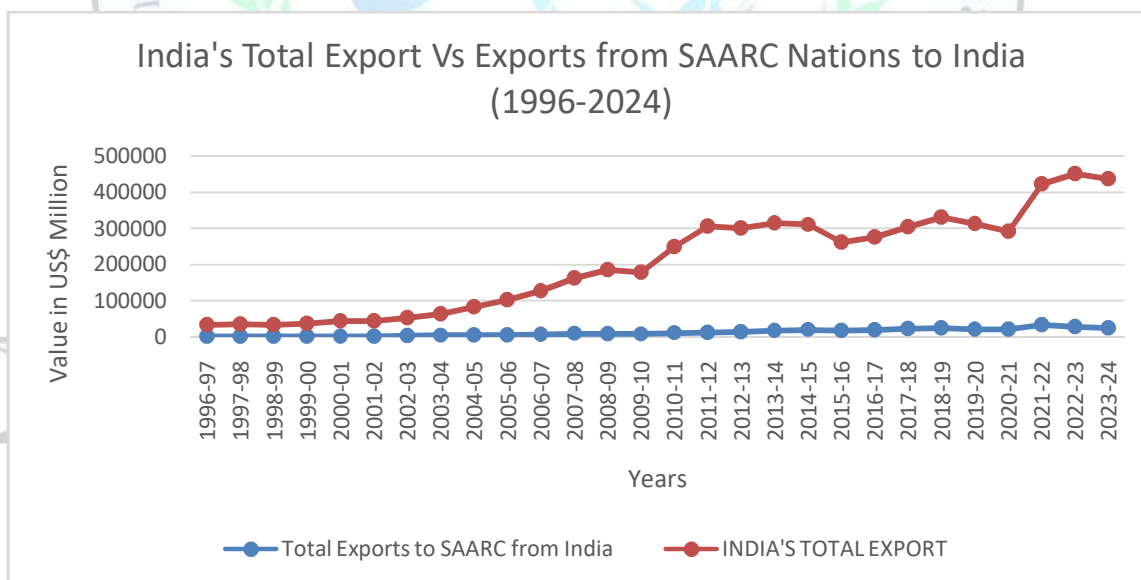


Figure: 5, Source: Author’s Contribution

The figure above shows a trend that ranges from 1996 to 2024 (The dataset for export and import from 1985 to 1995 was not available). From the available dataset, we found out that the lowest export to SAARC Nations from India stood at US\$ 1394.63 million in the year 1999-00 and the highest was US\$ 33,674.33 million in the year 2021-22. The export values show a normal course

of business.

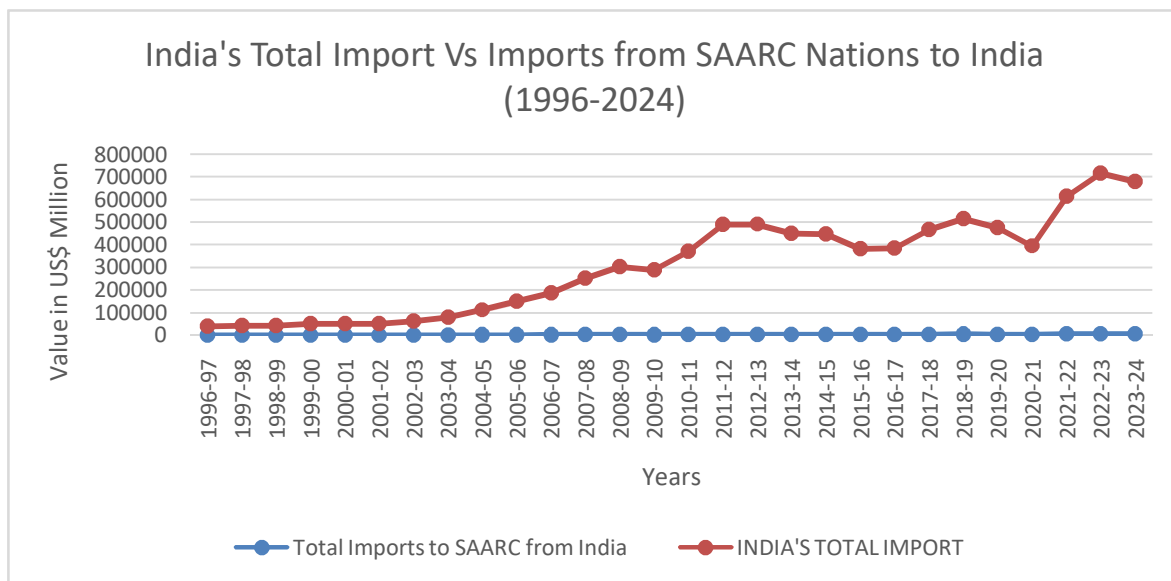


Figure: 6, Source: Author's Contribution

The figure above shows almost a stagnant picture of import values. The percentage of import share is far less than the percentage of export share.

Bilateral Trade Relations of India with ASEAN in Comparison to the Overall Trade.

India became ASEAN Dialogue Partner in 1996. Preliminary ASEAN data showed that two-way merchandise trade between ASEAN and India reached USD 77.0 billion in 2019, while total FDI inflows from India amounted to USD 2.0 billion. This placed India as ASEAN’s sixth-largest trading partner and the eighth-largest source of FDI among ASEAN Dialogue Partners.

YEARS	Total Exports to ASEAN from India	% Share	Total Imports from ASEAN to India	%Share
1996-97	2900.87	8.66	2934	7.49
1997-98	2461.84	7.07	3396.44	8.18
1998-99	1629.97	4.90	4,317.38	10.18
1999-00	2237.5	6.07	4629.15	9.30
2000-01	2913.78	6.53	4147.48	8.20
2001-02	3,457.01	7.88	4,387.22	8.53
2002-03	4,618.54	8.76	5,150.17	8.38
2003-04	5,821.71	9.11	7,433.11	9.51
2004-05	8,425.89	10.08	9,114.66	8.17
2005-06	10,411.30	10.09	10,883.67	7.29

2006-07	12,607.43	9.97	18,108.48	9.74
2007-08	16,413.52	10.06	22,674.81	9.01
2008-09	19,140.63	10.32	26,202.96	8.62
2009-10	18,113.71	10.13	25,797.96	8.94
2010-11	25,627.89	10.25	30,607.96	8.27
2011-12	36,744.35	12.00	42,158.84	8.61
2012-13	33,008.21	10.98	42,866.36	8.73
2013-14	33,133.55	10.53	41,278.09	9.16
2014-15	31,812.58	10.25	44,714.77	9.98
2015-16	25,133.37	9.58	39,909.60	10.47
2016-17	30,961.62	11.22	40,617.31	10.56
2017-18	34,203.70	11.26	47,133.69	10.12
2018-19	37,473.72	11.35	59,321.32	11.53
2019-20	31,546.58	10.06	55,369.87	11.66
2020-21	31,485.58	10.78	47,420.63	12.02
2021-22	42,327.58	10.03	68,081.43	11.10
2022-23	44,000.42	9.75	87,577.42	12.23
2023-24	41,207.67	9.42	79,664.31	11.74

Source: Author's Contribution

Trade Growth:

- **Exports:** India's exports to ASEAN nations increased significantly over the years, rising from US\$ 2,900.87 million in 1996-97 to US\$ 44,000.42 million in 2022-23. The growth indicates the strengthening of trade ties between India and ASEAN nations over this period.
- **Imports:** India's imports from ASEAN countries have also grown substantially, from US\$ 2,934 million in 1996-97 to US\$ 87,577.42 million in 2022-23, indicating that ASEAN is a key supplier of goods to India.

Percentage Share in India's Total Trade:

- **Exports Share:** The percentage share of India's total exports to ASEAN has remained consistently high, fluctuating between 6% to 12%. The highest export share occurred in 2011-12, where ASEAN accounted for 12% of India's total exports.
- **Imports Share:** The percentage share of India's imports from ASEAN has consistently ranged from 7% to 12%, highlighting ASEAN's significance as a source of imports. In recent years, ASEAN's share of Indian imports reached 12.23% in 2022-23.

Trade Deficit:

- India has experienced a trade deficit with ASEAN throughout the entire period, where

imports consistently outpaced exports. The deficit has widened significantly in recent years, with imports nearly doubling exports in 2022-23.

- The largest trade deficit occurred in 2022-23, where imports reached US\$ 87,577.42 million, while exports stood at US\$ 44,000.42 million.

Year-on-Year Trends:

- 1996-97 to 2006-07: Both exports and imports grew steadily during this period, with India exporting US\$ 12,607.43 million in 2006-07 and importing US\$ 18,108.48 million.
- 2007-08 to 2011-12: India’s trade with ASEAN surged, with exports growing from US\$ 16,413.52 million in 2007-08 to US\$ 36,744.35 million in 2011-12, and imports following a similar trend.
- 2012-13 to 2020-21: Despite some fluctuations, trade remained strong, with exports fluctuating around US\$ 31-37 billion and imports ranging from US\$ 41-55 billion.
- 2021-22 to 2023-24: The final years show continued high trade volume but also a widening trade deficit. In 2023-24, exports decreased slightly to US\$ 41,207.67 million, while imports remained high at US\$ 79,664.31 million.

ASEAN as a Strategic Trade Partner:

- The data demonstrates ASEAN’s importance as a key trade partner for India, contributing significantly to both exports and imports.
- While India has a trade deficit with ASEAN, the region remains an essential source of imports, especially for goods such as machinery, electronics, and chemicals, and is an important export market for India’s goods, including petroleum products, engineering goods, and textiles.

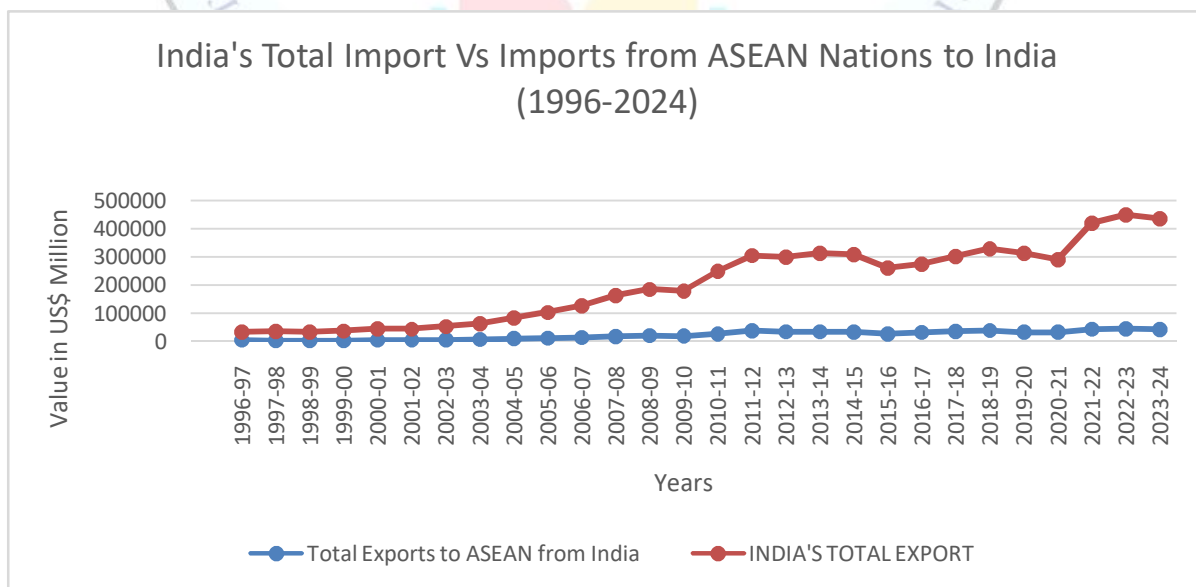


Figure: 7, Source: Author’s Contribution

The graph above shows the lowest export at US\$ 2934 million in the year 1996-97 and the highest export at US\$ 44,000.42 million in the year 2022-23.

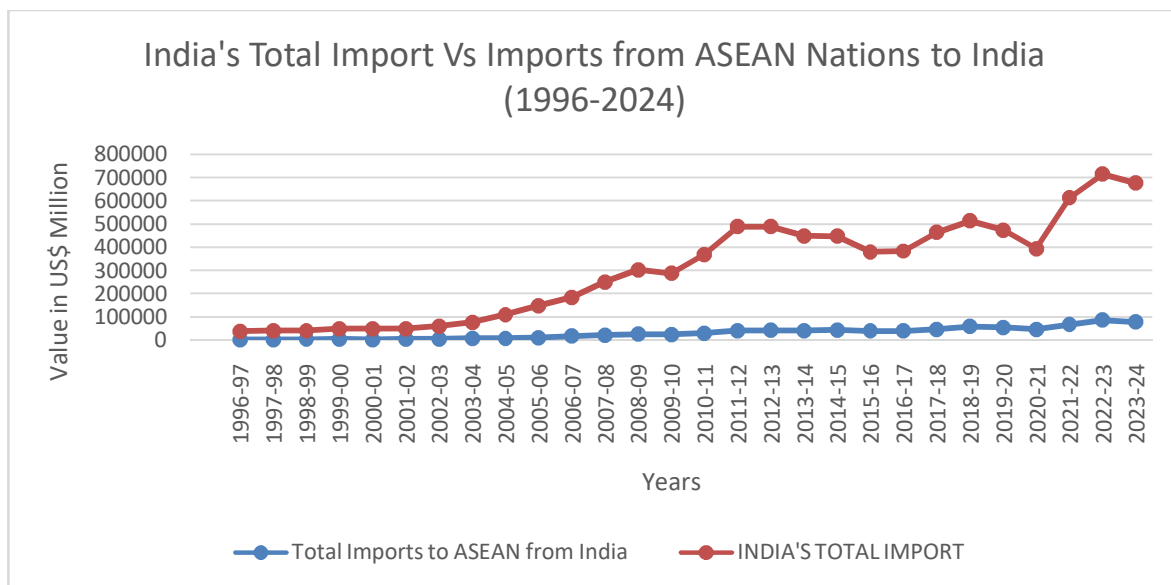


Figure: 8, Source: Author's Contribution

The graph above shows the lowest import at US\$1629.97 million in the year 1998-99 and the highest export at US\$ 79,664.31 million in the year 2023-24.

Conclusion:

- **G20:** G20: It is the largest trading bloc for India. It (G20) has consistently accounted for more than half of India's total trade, making it the most influential group for India's global trade strategy. The G20 represents a crucial platform for India's trade diplomacy, as it includes most of India's key trading partners. Trade agreements and partnerships with these nations will remain vital for India's growth India should continue to deepen its trade and economic partnerships within this bloc to maximize growth opportunities. But India has to look for its trade deficit with the G20 group as India consistently runs a trade deficit with G20 nations, importing significantly more than it exports. This trade deficit has widened especially in recent years.
- **BRICS:** After the G20 group BRICS has emerged as a significant group regarding India's trade relations, especially for imports, India faces a large trade deficit within this group, driven largely by its reliance on China and Russia for critical goods such as electronics, machinery, and energy. Therefore to lower its trade imbalances, it is important to diversify its exports and imports with other BRICS Nations such as Brazil and South Africa.
- **ASEAN:** Based on the value of exports and imports, the position of ASEAN Nations comes third after G20 and BRICS Nations. ASEAN is a growing and stable trading partner of India which is evident from the overall growth rate of 1320.52% from 1996-97 to 2023-24, showing that the Indian export zone has a lot of untapped potential. As ASEAN countries

grow, India has the potential to benefit from expanding economic cooperation in emerging sectors like digital trade and infrastructure. However, India should look at balancing trade by boosting its exports to ASEAN, potentially in the fields of pharmaceuticals, IT, and agriculture.

- **SAARC:** SAARC obtains the last spot as it has the smallest share in India's total trade. Despite being geographically close, trade volumes with SAARC are limited, possibly due to political tensions and smaller economies in the region. Although, it is the only bloc with whom India has a surplus trade but the regional trade agreements have not fully leveraged the potential for intra-regional trade growth. Improving political relations, strengthening regional cooperation, and easing trade barriers could improve these relationships in the future with this bloc.
- **Trade Deficit Challenges:** India's trade deficit is a persistent challenge, especially with BRICS and ASEAN. Strategic policy shifts focusing on boosting domestic manufacturing and export capabilities, along with reducing reliance on imports, are essential to addressing these deficits.

Final Thought:

To strengthen its global trade position, India should focus on diversifying its export portfolio, improving regional connectivity, and negotiating more balanced trade agreements, particularly with large blocs like G20, BRICS, and ASEAN.

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