

Glimpses of International Trade in the Economy of India

by

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Abstract

International trade indicates the trade among different countries. For economic growth as well as development international trade of any economy plays a vital role. On the other hand, employment is another important variable in any economy. Increase in employment helps in improving the condition of the economy by reducing poverty. With the development of the technology economic growth becomes faster. In this backdrop the current study will focus on international trade. Employment and emerging technology in the economy of India. Since international trade plays a vital role in economic development thus some data analysis will include in respect of international trade.

Introduction

International trade indicates the trade among different countries. For economic growth as well as development international trade of any economy plays a vital role. On the other hand, employment is another important variable in any economy. Increase in employment helps in improving the condition of the economy by reducing poverty. With the development of the technology economic growth becomes faster.

There are two forms of trading- Import and Export. The product that is sold from one country to another is export and the product that is received from another country is called import. Trading helps people to come across new goods and market. Almost every products are traded-for example food, clothes, drink, groceries -which includes rice, wheat-petroleum and even water is traded. According to research, most countries are facing continuous job shortage and unemployment problem. And since the unemployment is increasing and still economy grows, this phenomenon is known as 'Jobless Growth'. Due to high unemployment in most of the countries it has become an important question. Growth is designed to serve people and promote development and reduce poverty. Emerging technologies are those technical innovations which represent progressive development within a field for competitive advantage.

In this backdrop the current study will focus on international trade. Employment and

emerging technology in the economy of India. Since international trade plays a vital role in economic development thus some data analysis will include in respect of international trade.

Section I: Literature Review:

Newfarmer Richard and Sztajerowska Monika in their work “Policy Priorities for International Trade and Jobs” explains how trade might affect job creation and wages, including its relation on economic growth, productivity and income distribution. It also describes about the effects of offshoring and trade in service as well as adjustment cost associated with trade.

Section II: Concepts on International Trade

INTERNATIONAL TRADE:

Economies are linked internally through trading goods in and out. International trade is a process by which we exchange capital, goods and services across international boundaries, because there is a want of goods and services all over the world. If one country does not have the ability of growing cotton then it can import it from the other country. Hence to ease the process of trade between countries of different economic standards an organization was formed which is called World Trade Organization.

Import and Export are recorded and which are generally in a county's current account in the Balance of payment.

Balance of Payment is the systematic record of all economic transaction between the residents of one country and the residents of foreign country. Balance of Payment is a flow concept. There are three categories of Balance of Payment:

1) Balance of Trade: Balance of trade displays the record of exports and Imports of goods in a given year.

BALANCE OF TRADE = EXPORT OF GOODS -IMPORT OF GOODS

2) Balance of Current Account: The Balance of current account includes the balance of trade, the balance of services, and the balance of transfers. The current account keeps the measure of payments made for currently produced goods and services and the trade flows of fund between countries. Non trade flows comprises of factor incomes like – wages, interest, etc. and unilateral transfers.

BALANCE OF CURRENT ACCOUNT = BALANCE OF TRADE + BALANCE OF INVISIBLES +BALANCE OF TRANSFERS

3) Balance of Capital Account: Balance of capital account refers to the balance of capital transfers- borrowing and lending from abroad and sales and purchases of assets, gold and foreign exchange from other countries.

INDIA'S FOREIGN TRADE POLICIES:

India's foreign trade policy is the legal document set by the government which consists of rules for goods and services to be traded. These are formed by the Directorate General Foreign Trade, the ministry of commerce and industries regulating body for the promotion and organising the process of export and import. The main aim of this policy is to promote the country's revenue by influencing more on exports rather than imports thereby leading to national development and economic growth. The Foreign Trade policy was formed on 1st APRIL 2015.

Some trade agreements of India are:

- Agreement on South ASEAN Free Trade Area (SAFTA)
- India – Singapore Comprehensive Economic Cooperation Agreement (CECA)
- India – South Korea Comprehensive Economic Partnership Agreement (CEPA)
- India – ASEAN Trade in Goods Agreement.
- India – Japan Comprehensive Economic Partnership Agreement.

Section III: Data, Methodology and Analysis

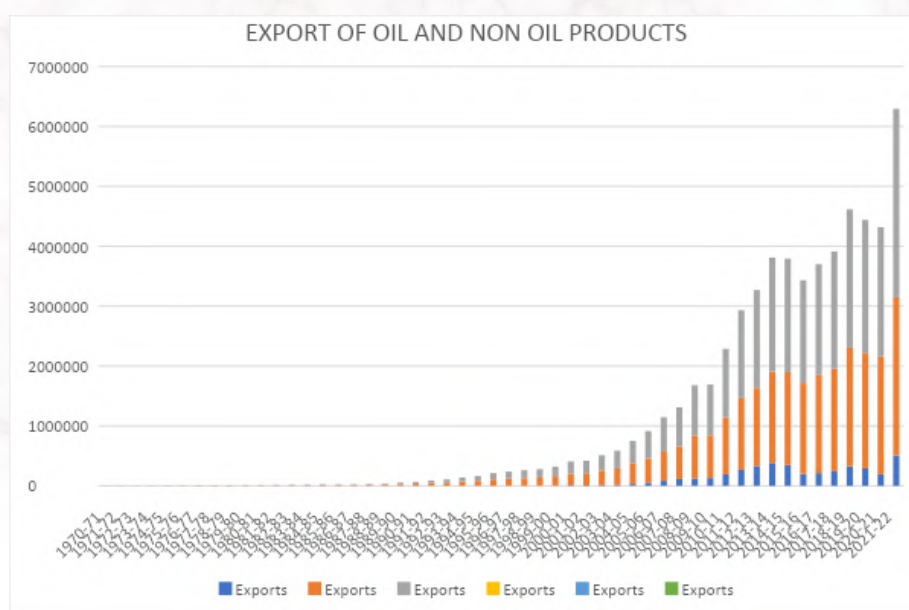
In this study I have used Statistical handbook on Indian Economy from RBI and do the analysis by using MS excel.

Analysis

Exports of Oil and Non-Oil

During the year of 2021-22 and 2014-15 we can observe that the export of oil products have increased and during the year 2015-16 and 2020-221 the export has considerably decreased.

And during the year 1970-71 till 1990-91 the export of oil products were not much. The exports started increasing after 1990-91. And the exports of non-oil products started increasing after 1984-85.



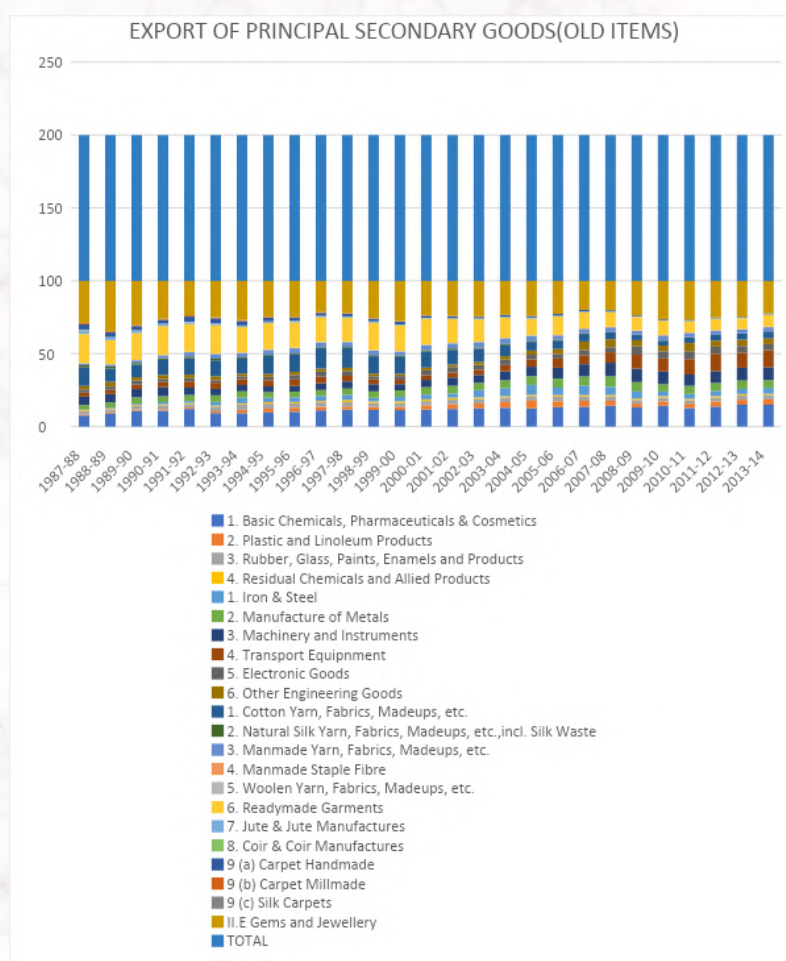
Export of Principal Primary commodities (OLD ITEMS)

From the year 1990-91 we can observe that the export of tea has increased and again in 1996-97 has decreased. The export of coffee has increased during the year 1994-95 and decreased during the year 2000-01. Export of rice have increased during the year 1996-97 and again decreased during the year 2002-03. Again the export of wheat

has increased during the year 1987-88 and decreased during the year 1999-00. Raw cotton are exported highly from 2011-12 and decreased in 1993-94. Tobacco are highly exported from 1987-88 and decreased during 1992-93 and so on.

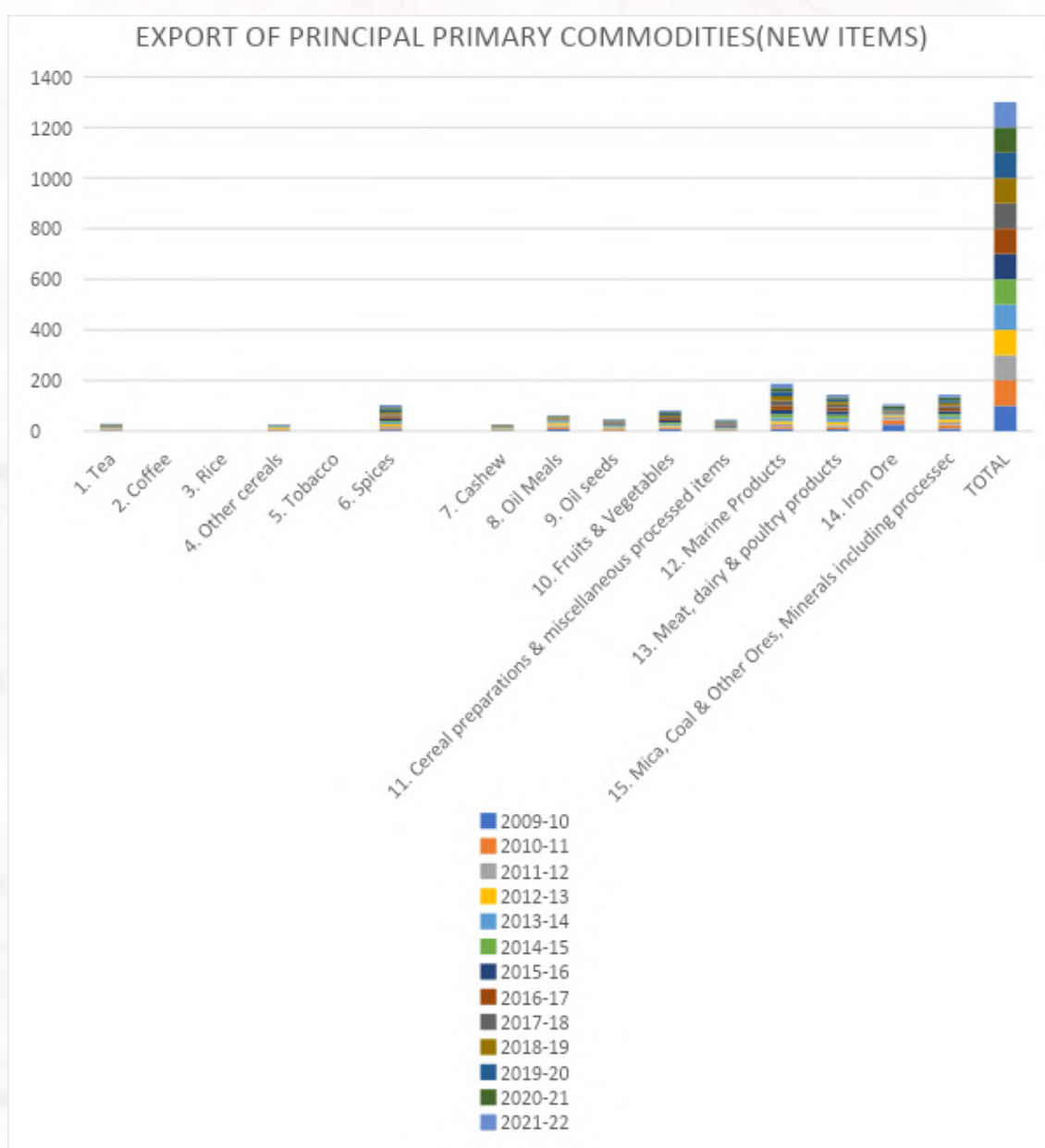
Export of Principal Secondary commodities (OLD ITEMS)

From the year 2005-06 we can observe that the export of plastic and linoleum has increased and again in 2010-11 has decreased. The export of iron and steel has increased during the year 2005-04 and decreased in the year 1991-92 Export of machinery and instrument have increased during the year 2007-2008 and again decreased during the year 1994-95. Again the export of Electronic goods has increased during the year 2008-09 and decreased during the year 1997-98. Manmade staple fibre are exported highly from 2009-10 and decreased in 1987-92 and so on.



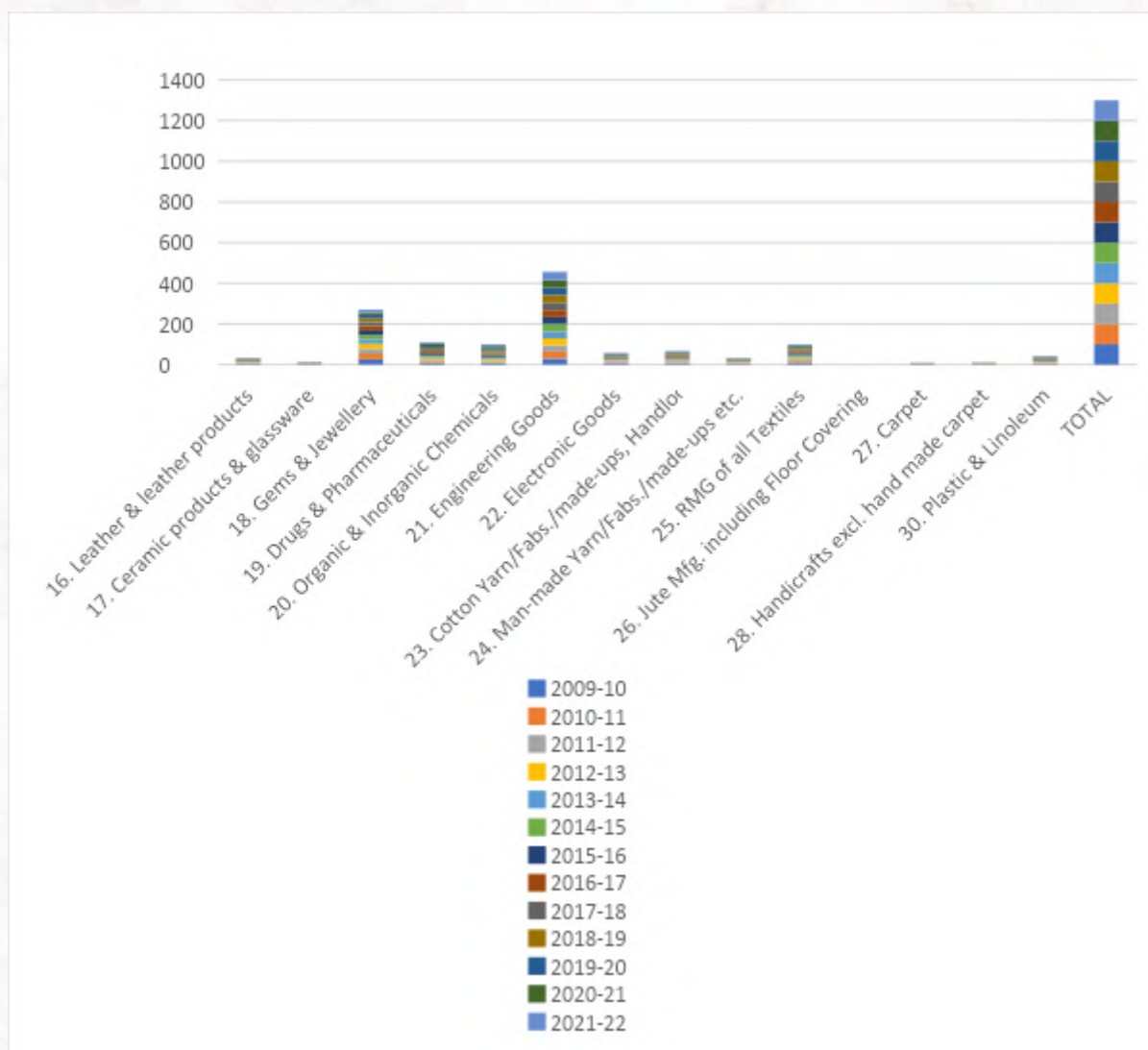
Export of Principal primary commodities (NEW ITEMS)

In the year 2010-11 the export of tea has increased whereas in the year 2015-16 it decreased and the export of rice and coffee is almost nothing. Other cereals are mostly exported during the year 2011-12 and the spices are exported mainly during the year 2018-19. Other commodities like cashew is exported mainly during the year 2015-16 and decreased during the year 2021-22. Export of Fruits and vegetables increased during the year 2017-18 and again decreased in 2018-19.



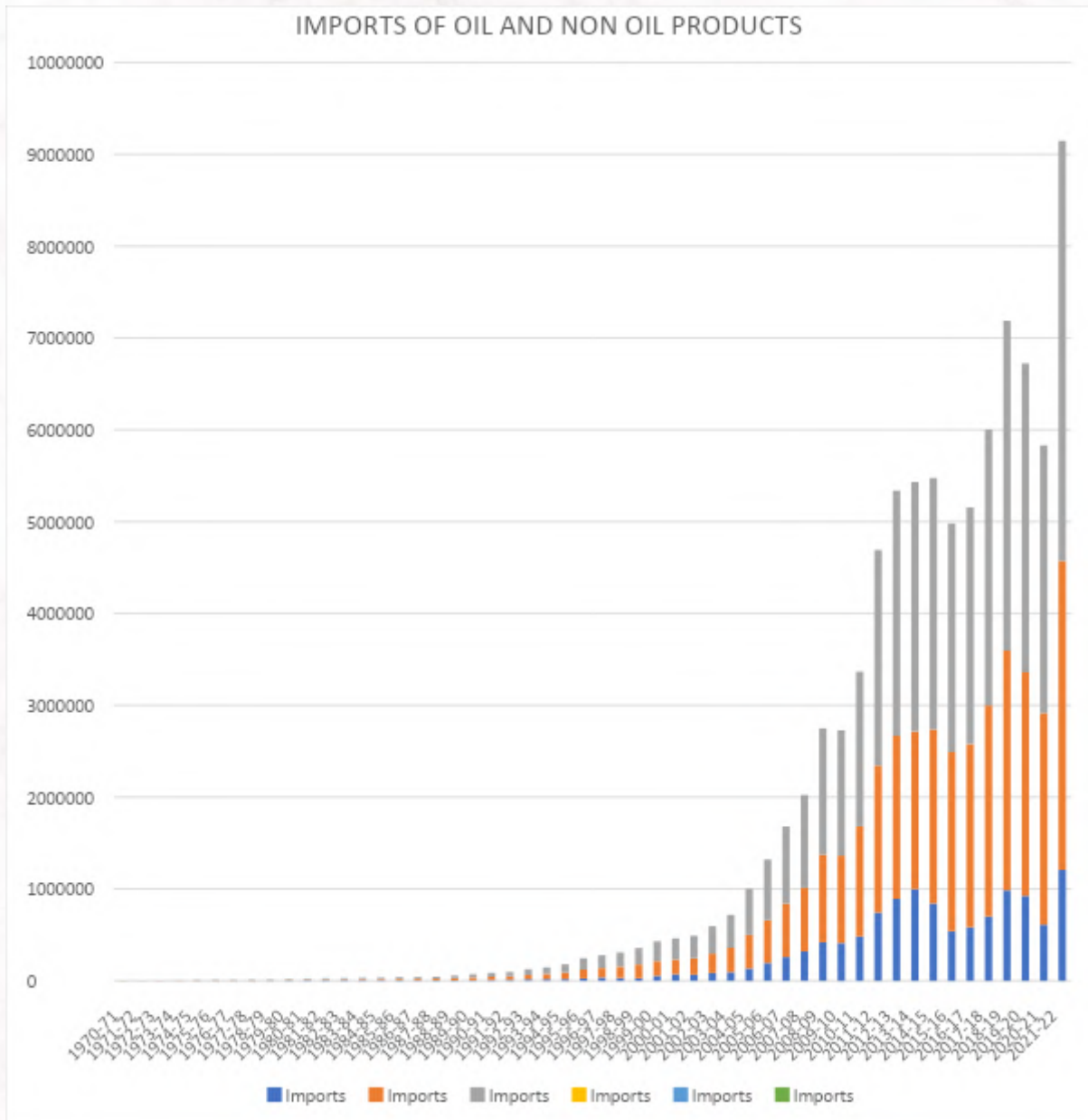
Export of Principal Secondary commodities (NEW ITEMS)

In the year 2015-16 the export of leather and leather products has increased whereas in the year 2021-22 it decreased and the export of ceramic products and glassware increased during the year 2020-21. Gems and jewellery are mostly exported during the year 2010-11 and the Drugs and pharmaceuticals are exported mainly during the year 2020-21. Other commodities like organic and inorganic products is exported mainly during the year 2020-21 and decreased during the year 2010-11. Export of engineering goods increased during the year 2021-22 and again decreased in 2009-10.



Import of Oil and Non-Oil Products

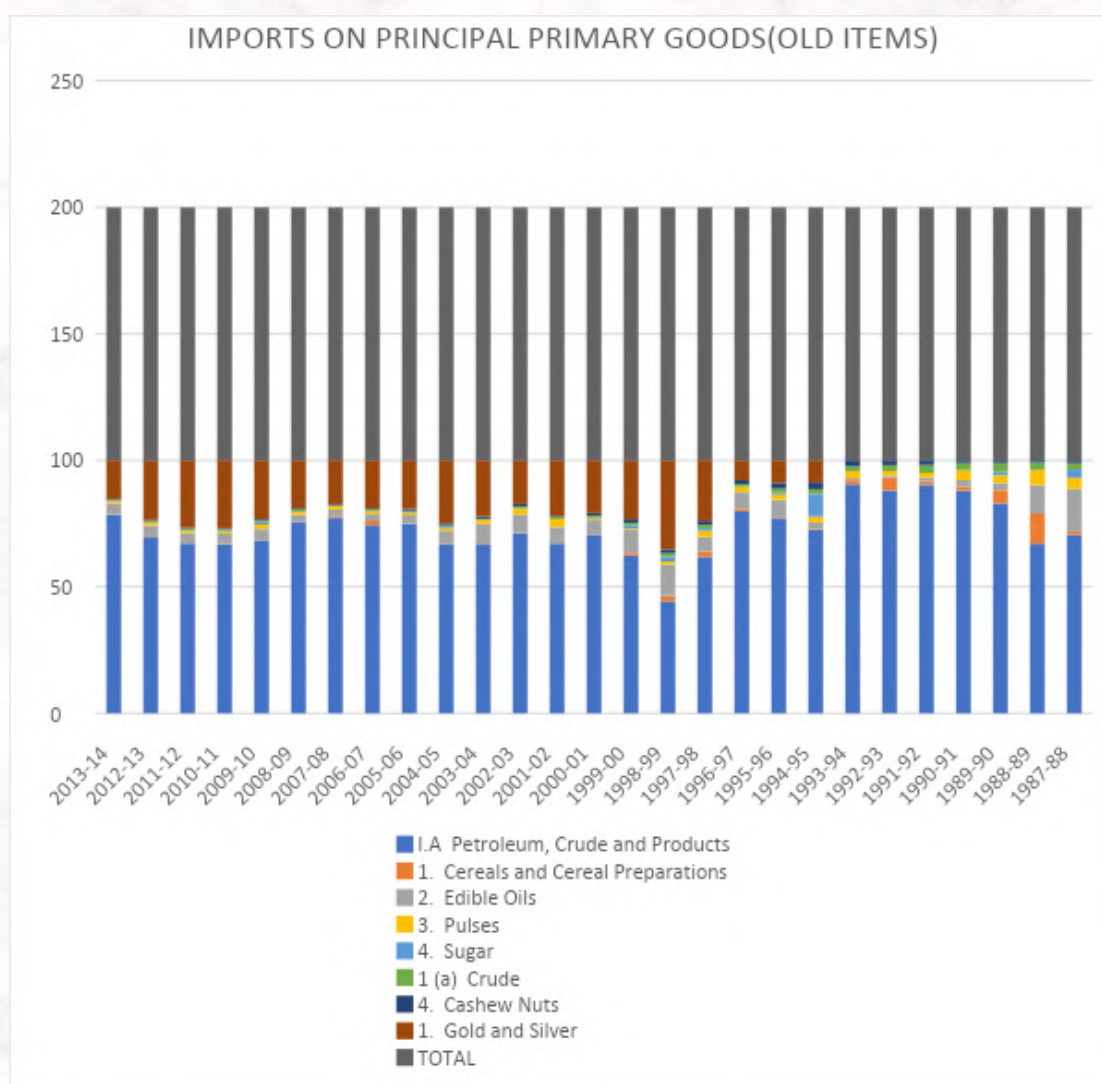
Import of oil products have increased in the year 1980-81 and decreased in the year 1994-95. And the import of non-oil products have increased in the year 1971-72 and decreased during the year 2006-07.



Import of Principal Primary Commodities (OLD ITEMS)

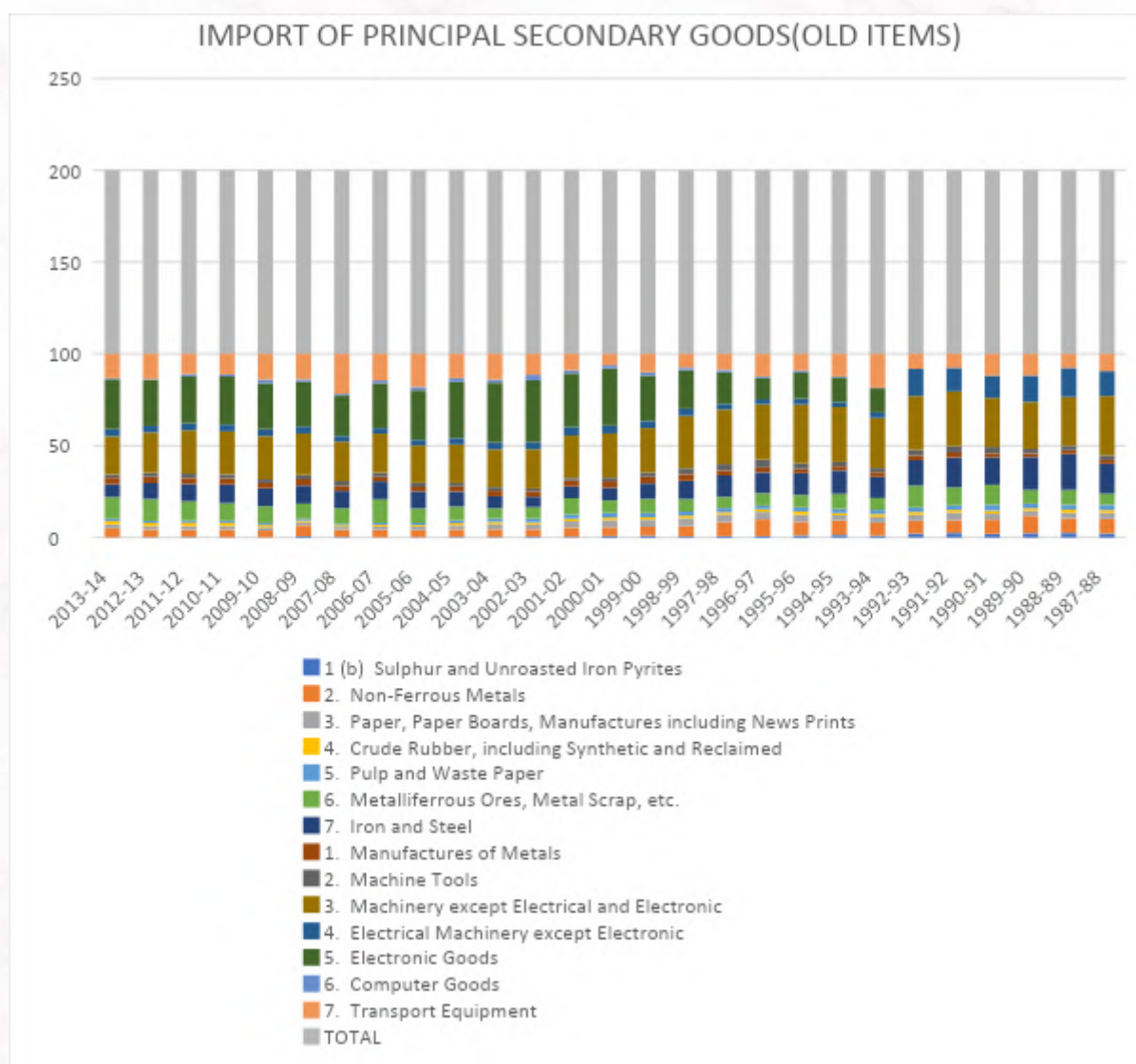
In the 1993-94 we can observe that the import of petroleum crude and products has increased and decreased during the year 2005-06. The import of Cereals increased during the year 1992-93.

And decreased during the year 2002-03. Import of sulphur and unroasted iron increased during the year 2011-12 and decreased during the year 2019-20. The import of Edible oil increased from 2002-03 and decreased during the year 1998-99. The import of pulses increased during the year 1988-89 and decreased during the year 2006-07 and so on.



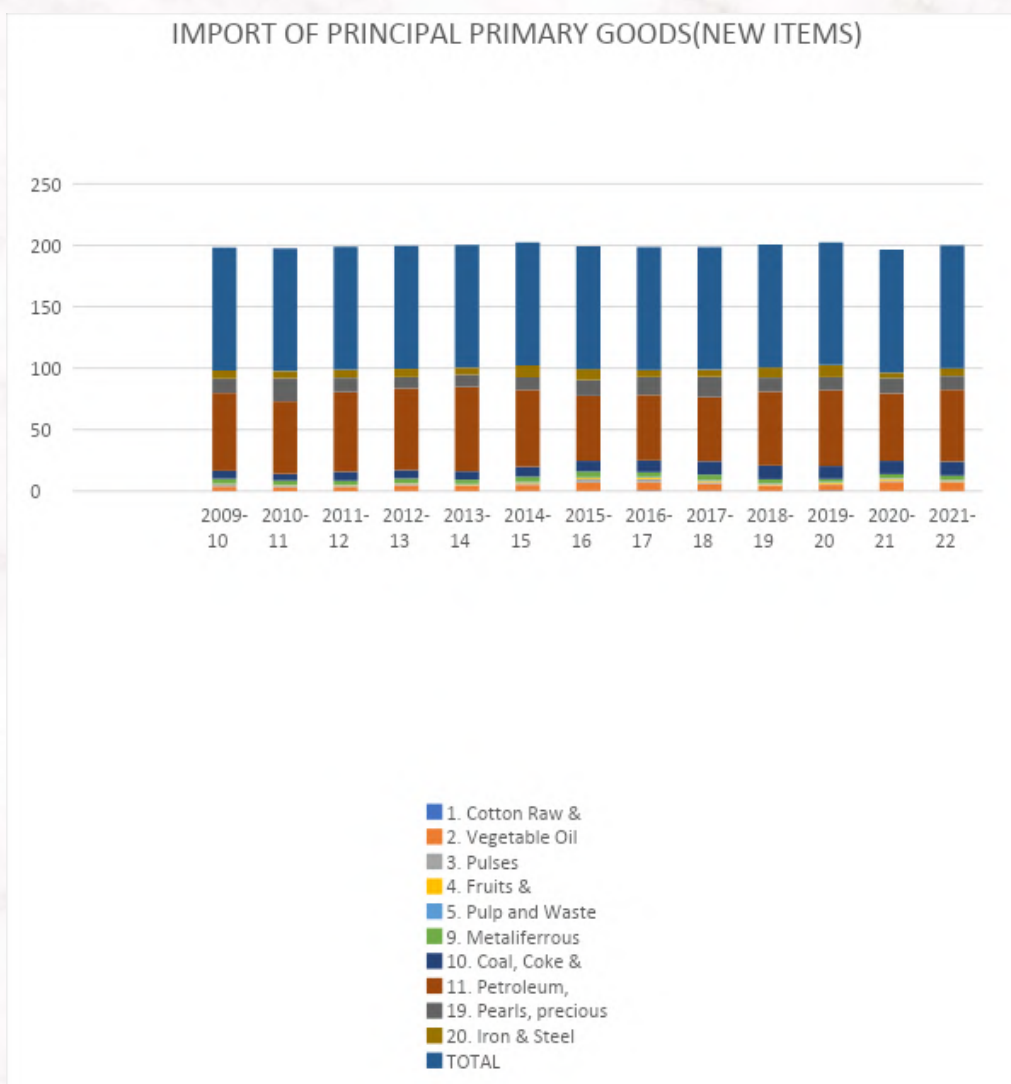
Import of Principal Secondary Commodities (OLD ITEMS)

In the year 1991-92 we can observe that the import of sulphur and unroasted iron has increased and decreased during the year 1998-99. The import of nonferrous metals increased during the year 1996-97. And decreased during the year 2001-02. Import of crude rubber increased during the year 2006-07 and decreased during the year 1992-93. The import of machine tools increased from 1996-97 and decreased during the year 2000-01.



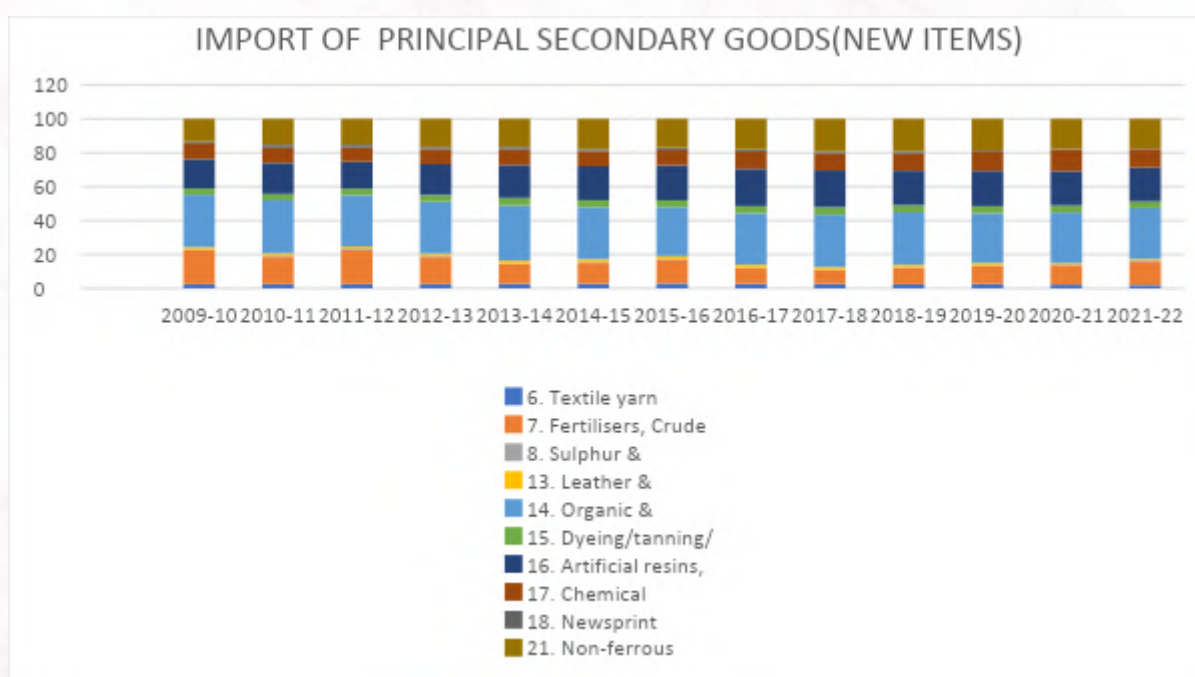
Import of Principal Primary commodities (NEW ITEMS)

From the year 2016-17 we can observe that the import of raw cotton and waste has increased and again in 2014-15 has decreased. The import of vegetable oil has increased during the year 2020-21 and decreased during the year 2012-13. Import of pulses have increased during the year 2016-17 and again decreased during the year 2014-15. Again the import of Pulp and waste paper has increased during the year 2021-22. Metaferrous ores and other minerals are imported highly from 2015-16 and decreased in 2019-20. Pearls and precious stones are highly imported from 2010-11 and decreased during 2018-19.



Import of Principal Secondary commodities (NEW ITEMS)

In the 2015-16 we can observe that the import of Textile yarn has increased and decreased during the year 2020-21. The import of fertilisers increased during the year 2011-12. And decreased during the year 2016-17. Import of sulphur and unroasted iron increased during the year 2011-12 and decreased during the year 2019-20. The import of leather and leathered products increased from 2020-21 and decreased during the year 2016-17. The import of organic and inorganic products increased during the year 2010-11 and decreased during the year 2015-16.



CONCLUSION:

Hence we can conclude by telling that international trade helps in economic growth and development which includes increasing national income, employment, living standard and it helps the people of different country to expose to dynamic kinds of goods and markets all over the world. International trade helps to develop more production sector. The larger the amount of trade the larger is the development of working sector in the economy.

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- 2) *International Global Trade: Definition, benefits, Criticisms* by HEAKAL REEM, CATALANO.J THOMAS, ECKER JARED.