

International Trade and India

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Abstract

International trade is the refer to as the extent or trade of goods and service between different nation this kinds of trades contribute and increase the words economy the most commonly trade communities are television set, cloth, machinery, capital goods, food and raw material. International trade plays a vital role in the Indian economy. As the country need to import diverse products so International trade is extremely important to country. India exports vast number of products and also imports an equal amount of other products.

India's journey toward becoming a global economic powerhouse is marked by remarkable achievements in its export landscape. The nation has demonstrated significant progress in diverse sectors, ranging from petroleum oils and agrochemicals to semiconductors and precious stones. This growth reflects India's ability to leverage advanced technology, innovative practices, and competitive manufacturing to meet global demands. Supported by robust government initiatives, the country is not only expanding its export base but also strengthening its position as a reliable global supplier.

Keyword: Trade, GDP, Import, Export, Policy, Tariffs, Community

Introduction

Prior to the 1991 economic liberalisation, India was a closed economy due to the average tariffs exceeding 200 percent and the extensive quantitative restrictions on imports. Foreign investment was strictly restricted to only allow Indian ownership of businesses. Since the liberalisation, India's economy has improved mainly due to increased foreign trade.

After independence, India opened its economy to international trade in 1991. During this period, there was a major transition towards globalization and economic integration. International trade is the process of exchanging goods and services between countries. It includes both imports and exports. India is international trade includes exports of goods and services, and imports of goods and services. India is a member of many international economic organizations, including the WTO, G-20,

India is international trade landscape is marked by a rich history, where the country was once a major global trading hub, but later adopted protectionist policies after independence, only significantly opening up its economy through liberalization reforms in 1991, leading to increased integration with the global market, with key exports including pharmaceuticals, textiles, and services,

Objective

1. To studies of Indian International Trade

2. To study India's exports and imports major commodities in international Trade.
3. To study of Advantages and disadvantage of International Trade for India:

International trade

International trade is the exchange of capital, goods, and services across international borders or territories because there is a need or want of goods or services. In most countries, such trade represents a significant share of gross domestic product.

International trade is an exchange involving a good or service conducted between at least two different countries. The exchanges can be imports or exports. An import refers to a good or service brought into the domestic country. An export refers to a good or service sold to a foreign country.

India's import and export major community in international trade

1991 New Economic Policy was adopted to meet India's basic needs. This policy led to globalization, privatization and liberalization. It is from this that the economic development of the country will progress. It was from this that the progress of economic development of the country began. India began to import and export large quantities of goods and services every year. Similarly, India has imported and exported goods and services in 2024.

A India export of major commodities in fy 2024

India has the following items Engineering goods, Petroleum products, Agricultural and allied products, Gems and Jewellery, Cloth, Organic, inorganic chemicals, Electronic, Pharmaceuticals etc. The goods are seen to be exported in the year 2024. as follow.

Sr.no	Item	Export (\$ billion)	(YoY change%)
1	Engineering goods	109.5	10.7
2	Petroleum products	83.8	-14.1
3	Agriculture and allied products	40.7	0.4
4	Gem and jewellery	32.7	-13.8
5	Textiles	32.6	-3.7
6	Organic and inorganic chemicals	29.3	24
7	Electronic	29.2	24
8	Pharmaceuticals	27.8	9.7
9	Total exports	437.1	-3.1

Resoure: CEIC, Bank of baroda Research

The above table shows that India has exported a large amount of engineering goods. It has exported \$ 109.05 billion dollars. After that, petroleum products have been exported to the tune of \$ 83.8 billion dollars. Exports of agricultural and allied products are then \$ 40.7 billion dollars. India exports gems and jewelry worth \$ 32.7 billion dollars. After that the export of textile has been \$ 32.6 billion dollars. India exports organic and inorganic chemicals worth \$29.3 billion. India has exported electronic goods worth \$ 29.2 billion dollars. Export of pharmaceuticals goods \$ 27. 8 billion dollars has been made. India's total exports of goods amounted to \$ 437.1 billion dollars.

India Import of major commodities in fy 2024

India's following commodities are oil, electronic goods, capital goods, Chemical and related products, gold, coal, organic and chemical, pearls and precious metals, iron man steel, Plastic etc. The goods are shown to have been imported in the year 2024. as follow.

Sr.no	Item	Export (billion)	YoY change%
1	Oil	179.8	-14.1
2	Electronic goods	89.7	16.1
3	Capital goods	78.8	-4.8
4	Chemical and related products	54.9	-17.7
5	Gold	45.5	30.1
6	Coal	38.9	-21.8
7	Organic and in chemical	26.8	-19.9
8	Pearls and precious metals	23.8	-22.4
9	Iron Man Steel	23.7	5.6
10	Plastics	22.2	-5.5

Resource: CEIC, Bank of baroda Research

From the above table it can be seen that India has imported a large amount of oil. It has increased to \$ 179.8 billion dollars. India has since imported \$89.7 billion worth of electronic goods. After that, \$ 78.9 billion dollars of capital goods have been imported. India imported \$54.9 billion worth of chemical and allied products. After that, India has imported gold worth \$ 45.5 billion dollars. India has imported coal worth \$ 38.9 billion dollars. India's import of organic and chemical components is \$ 26.8 billion dollars. After that, India's imports of pearls and precious metal goods amounted to \$ 23.8 billion dollars. India has imported iron man steel worth \$ 23.7 billion dollars. India has reduced its plastic imports to \$22.2 billion.

Advantages of International Trade for India:

- Market Access and Diversification:** Access to a wider global market allows Indian companies and sell their products to a larger consumer base, potentially increasing sales and revenue.
- Economic Growth:** Exporting goods and services can significantly contribute to India's GDP, leading to economic development.
- Employment Generation:** Expansion into international markets can create new jobs within manufacturing, export, and related services sectors.
- Technological Advancement:** Exposure to international markets encourages Indian companies to adopt new technologies and improve their production processes to stay competitive.
- Cost Efficiency:** Access to cheaper raw materials from other countries can lower production costs for Indian businesses.
- Consumer Benefits:** Consumers gain access to a wider variety of goods at potentially lower prices due to increased competition.

Disadvantages of International Trade for India:

1. **Job Losses in Certain Sectors:** When cheaper imported goods flood the market, domestic industries may face challenges, potentially leading to job losses in certain sectors.
2. **Price Volatility:** Fluctuations in global market prices can impact the Indian economy, particularly for commodity-based exports.
3. **Dependence on Foreign Markets:** Overreliance on exports to a few major markets can make India fenceless to economic downturns in those countries.
4. **Trade Barriers and Regulations:** Navigating complex trade regulations and customs procedures in other countries can be challenging for Indian businesses.
5. **Cultural Differences:** Understanding and adapting to different cultural norms and business practices in international markets can be difficult.
6. **Environmental Concerns:** Increased trade can sometimes lead to increased carbon emissions due to transportation.

Conclusion

International business serves as the backbone of global economic integration, promoting cross-border trade, investment and cultural exchange. Its importance goes beyond mere profit, as it drives innovation, enhances competitive advantage and contributes to the economic growth of nations. economics indicates that international trade raises the standard of living. A comparison between the performance of open and closed economies confirms that the benefits of trade in practice are significant. International trade has accelerated the economic development of the country. International trade has helped the balance of trade of the country. Due to international trade, the country's GDP increased. Different items have started to be manufactured in India. India began to take the production of various goods from agriculture. advantages of International Trade for India get for Market Access and Diversification, Economic Growth, employment Generation, Technological Advancement, cost Efficiency, consumer Benefits. And disadvantage of international trade for India get job losses in certain sector, price volatility, dependence of foreign market.

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