INDIA'S FOREIGN TRADE AND LINKS IN GLOBAL PERSPECTIVES

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The 21st century is the age of open economies. The last decade of the 20th century ushered the era of revolution for globalisation, liberalisation and privatisation especially after the conversion of the GATT into the WTO on 1st January, 1995. A business consisting of commerce, trade, aids to trade and industry is very sensitive to its environment that may be internal and external both. The internal environment may constitute the financial, physical and human resources along with the promoter's vision, objectives, managerial policies, labour-management relationship, morale & commitment, work environment and research & development activities. The external environment may be further categorised into two parts. One is the micro environment that comprises its suppliers chain, customers chain, competitors and of course general public. Another is the macro environment that encompasses economic, social, political, cultural, technological, demographic and global factors. The present research study will focus on the aspect of protectionism or globalisation in the whole world that may facilitate different governments, multi-national companies, multilateral institutions, planners and decision-makers to take various decisions of investments whether foreign direct or portfolio both. During the era of the WTO or globalization, it is far more important to know such external environment of a State before taking any decision by the MNCs. The concept of protectionism is a U turn for the world in the age of globalisation. The Brexit is the issue that is going against globalisation and in favour of nationalism or protectionism. The U.K. referendum in June, 2016 in which 52 per cent voters gave their mandate to leave the European Union and 48 per cent voted for the U.K. to remain in the EU. The British Government announced the country's withdrawal in March, 2017.

OBJECTIVES OF THE STUDY-

The specific objectives of the study are the following:

1) To study the economic environment and particularly the international trade and its related aspects of different economies of the world.

2) To examine the current status of the different States and Markets in comparable form.

3) To suggest the favourable and unfavourable aspects of different economies so that an effective trade policy implications may be drawn.

Sources of data and Research Methodology-

The present research study is based on the secondary and cross sectional data collected from the following sources:

- World Development Indicators, International Bank for Reconstruction and Development, World Bank Group, Washington D.C., 2015.

- Statista, India – Statistics and Facts, Available at https://www.statista.com

The World Development Indicators constitute its fifth chapter on the States and Markets that constitutes very important and impressive cross-sectional data directly relevant and in comparable form for different countries, MNCs and multilateral institutions. The data provided by the World Bank is quite reliable and authentic on the basis of which any country may draw its future course of action in the planned era.

The present study uses a research methodology of Hermeneutics of the Content Analysis which is quite an appropriate research technique for the systematic, objective, qualitative and of course quantitative description of the data procured through various secondary sources. The relevant data have been collected, brought into a comparable form, condensed, organized and presented into two-dimensional tables. Then these tables are analysed and interpreted for further planning and decision-making for the whole of the Indian union particularly on the aspects of international trade. It will also be beneficial to know the trade and commerce environment of other economies so that an appropriate investment decisions in various countries may be taken by their respective governments. It is also important to mention here that an overall picture will be drawn and a peep into the minute details will require another separate study on the global trade.

RESULTS AND DISCUSSION-

The Table comprises data on the merchandise trade as per cent of the GDP for the year 2013, net barter terms of trade index for the year 2013 with the base of the year 2000, inbound tourism expenditure as per cent of the exports for the year 2013, net official development assistance as per cent of the Gross National Income for the year 2013 and net migration in thousands for the period 2010 to 2015. The World Bank has produced the data for all its 188 member countries along with such countries where the population is more than thirty thousand, therefore, total being 214 countries. However, the data in the table includes only 32 countries in which either those countries are included which are at any extreme or such countries which have at the same stage of economic development as India.

The Column 3 of the table shows the merchandise trade as per cent of the GDP for the year 2013. The highest in the world is 422.5 per cent of its GDP for Hong Kong, the Special Administrative Region of China for the year 2013. The other such strong economy is Singapore where it is 262.9 per cent of its GDP for the year 2013. Other such strong economies have been Belgium, Slovek Republic, U.A.E., Hungary, Netherlands and Lithuania have been 175, 171.8, 156.6, 156.0, 147.8 and 147.6 per cents of their respective GDPs. It is important to know that the data for all these countries is not included in the table in the paper due to the paucity of the space. For India, it is 41.5 per cent of the GDP for the year 2013 that is even less than the world's weighted average 49.4 per cent for the same period. The lowest countries in the world have been Brazil; Macao, a Special Administrative Region of China and the U.S. where it is 21.9, 22.0 and 23.3 per cents of their respective GDPs. It is interesting to note that the all time strongest, biggest and the most developed country of the world, the U.S. comes among the three lowest countries of the world.

The Column 4 of the table shows the net barter terms index for different countries for the year 2013 where the base for the index is the year 2000. The most comfortable countries and at top of the list are Angola, Venezuela and Oman where the indices are 257.4, 254.6 and

Table - Major Indicators of Global Trade and Links

Sr. No.	Country	Merchandise Trade (% of GDP)	Net Barter Terms of Trade Index (2000=100) 2013	Inbound Tourism Expenditure (% of Exports) 2013	Net Official Development Assistance (% of GNI) 2013	Net Migration (Thousands) 2010-15
1.	2.	3.	4.	5.	6.	7.
1	Argentina	25.5	131.2	5.2	0.0	-100
2	Australia	31.7	177.0	10.9	-	750
3	Austria	83.3	86.7	9.9	-	150
4	Belgium	175.3	94.4	3.4	-	150
5	Brazil	21.9	126.2	2.5	0.1	-190
6	Canada	51.1	124.7	3.2	-	1100
7	China	45.0	74.8	2.4	0.0	-1500
8	-Hong Kong SAR China	422.5	96.4	6.9	-	150
9	Congo, Republic	108.6	226.8	-	1.4	-45
10	Equatorial Guinea	138.0	230.6	-	0.1	20
11	Gabon	69.3	226.3	-	0.5	5
12	Germany	70.8	96.3	3.2	-	550
13	India	41.5	131.1	4.1	0.1	-2294
14	Indonesia	42.7	121.8	5.0	0.0	-700
15	Iraq	65.6	222.0	-	0.7	450
16	Kazakhstan	56.7	229.6	1.9	0.0	0
17	Kuwait	82.1	222.8	0.5	-	300
18	Malaysia	138.7	100.5	8.1	0.0	450
19	Nigeria	30.5	222.1	-	0.5	-300
20	Oman	114.7	240.4	3.2	-	1030
21	Pakistan	30.1	59.1	3.1	0.9	-1634

22	Philippines	44.8	62.4	8.3	0.1	700
23	Qatar	84.5	219.7	5.7	-	500
24	Russian Federation	41.3	244.8	3.4	-	1100
25	Rwanda	39.9	200.6	29.1	14.6	-45
26	Saudi Arabia	72.7	214.7	2.2	-	300
27	Singapore	262.9	80.6	3.4	-	400
28	Turkmenistan	66.9	231.0	-	0.1	-25
29	Venezuela	32.5	254.6	-	0.0	40
30	Vietnam	154.1	98.6	5.3	2.5	-200
31	United Kingdom	44.7	102.2	6.4	-	900
32	United States	23.3	95.3	9.4	-	5000
33	World	49.4w	-	6.1^{b}w	0.2^{c}w	0

Source: World Development Indicators, World Bank Group, Washington D.C., 2015.

Notes : b - World Bank's weighted aggregation method calculation and may differ from World Tourism Organization.

c - Based on the World Bank classification of economies and may differ from data reported by the OECD.

w- Aggregation by weighted average method.

240.1 with the base year of 2000. There is a long list of other countries which are the developing or poor economies but comfortable in terms of net barter terms of trade. These are Turkmenistan (231.0), Equatorial Guinea (230.6), Kazakhstan (229.6), Congo Rep. (226.80), Gabon (226.3), Kuwait (222.8), etc. It is interesting to note that the developed and advance countries of the world including the U.S., the U.K. and Germany have these indices 95.3, 102.2 and 96.3 respectively. India has favourable terms of trade with merely 131.1 index of net barter terms of trade for the year 2013 with the base year of 2000. The Column 5 shows the inbound tourism expenditure as per cent of the respective country's exports for the year 2013. The highest such expenditure is incurred 94.7, 82.3 and 77.9 per cents of total exports by Macao, the Special Administrative Region of China, Maldives and Vanuatu respectively. On the other hand, the lowest such expenditure has been 0.4, 0.5 and 0.6 per cents of the total exports by Bangladesh, Algeria and Swaziland respectively. The most

developed countries like the U.S., the U.K. and Germany have been spending 9.4, 6.4 and 3.2 per cents of their respective exports for the year 2013. India has been spending 4.1 per cent of India's exports whereas the weighted average of the whole world is 6.1 per cent for the same year, i.e., 2013.   The Column 6 of the table shows the net official development assistance as per cent of the Gross National Income of the respective country for the year 2013. Data on the official development assistance refer to aid to eligible countries from members of the Organisation of Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC), multilateral organizations, and non-DAC donors. Such assistance is provided to the poor and underdeveloped countries. The variable is not signifying global trade but related to global links among the 214 countries of the world. During the year 2013, the highest such assistance was received by Tuvalu (48.3 per cent), Micronesia Federal States (41.7 per cent) and Marshall Islands (41.4 per cent). However, these countries could not be incorporated in the aforesaid table. It is a noble cause on the part of the OECD and other donor countries to assist the poor countries of the world.

The last and Seventh Column of the table shows the net migration in thousands during the period 2010 to 2015. Both types of figures are there in this column, i.e., positive and negative where positive refers to thousands persons entered in the country and negative refers to the thousand persons going out of the country. The data in the column also shows the global links among different countries of the world. No doubt, the largest immigration programs are run by Canada, Russian Federation and Australia with 1100, 1100 and 750 thousands persons entered in these countries during 2010 to 2015. Despite this, the highest number is for the U.S. with 5000 thousand persons entered during the same period. It seems that the people from the developing countries quite often settle in the developed countries. Thus the analysis for global trade and links has been highlighted above with certain limitations of the space but explained in its true spirit.

CONCLUSION AND SUGGESTIONS-

The present research study encompasses foreign trade and links both. There may be mixed positives and negatives for different countries of the world keeping in view various variables. Regarding foreign trade, it is interesting to note that the developed and advance countries of the world including the U.S., the U.K. and Germany have small amount of

merchandise trade as per cent of the GDP and vice versa. Moreover, these developed economies also have net barter terms of trade index unfavourable. On the other hand, there are economies like Belgium, Slovek Republic, U.A.E., Hungary, Netherlands and Lithuania which may be small and not so developed have favourable net terms of trade index. Above all the most comfortable countries and top of the list are Angola, Venezuela and Oman where the indices are quite favourable whereas these are developing economies. There is a long list of other countries which are the developing or poor economies but comfortable in terms of net barter terms of trade. These are Turkmenistan, Equatorial Guinea, Kazakhstan and Congo Republic. The other variables in the table shows the net official development assistance as per cent of the Gross National Income of the respective country for the year 2013 and the net migration in thousands during the period 2010 to 2015. These are noble factors giving an impetus to the global links. In essence, the global business environment in modern times is quite impressive in which different countries have been showing different capabilities in the direction of entrepreneurship in foreign trade and links both, of course, for the uplift of the whole human race.

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