



Online Journal

ISSN : 2347 - 9671

www . epratrust.com

COMPOSITION AND DIRECTION OF TRADE IN GOODS AND TRADE IN SERVICES OF INDIA

Dr. R. Ravikumar* & Arunhari. P**

*Assistant Professor, Department of Economics, P.S.G College of Arts & Science, Coimbatore – 641 014, Tamil Nadu.

**Ph.D Research Scholar, Department of Economics, P.S.G College of Arts & Science, Coimbatore – 641 014, Tamil Nadu.

ABSTRACT

Throughout the 1990s, India's service part grew at an average annual rate of 9 per cent, ahead of the growth rate of the industry at 5.8 per cent per annum and that of agriculture at 3.1 per cent per annum. In India, the service part assisted roughly 68.6 percent of the overall mean real GDP growth (Service Value supplemented) in the years between 2002-03 and 2006-07. In 2006-07, it was growing at 11.2 per cent year on year; services (including building) constituted 61.5 per cent of the Indian GDP. Furthermore significant is the fact that service part development in India is broad-based and cross-Sectoral granted that some of these services constitute important inputs for both constructing and services development and productivity.

India's merchandise exports in the last ten years have listed important development. After the being strike by the global financial urgent situation, Indian trade goods recovered rapidly and in the current fiscal are anticipated to grow by more than 30%. With a growth of more than 25% per annum in the last ten years, implication of services trade goods as foreign exchange earners has advanced by a large assess in the last ten years. Exceptional financial Zones have emerged as a foremost source of trade goods, now accounting for around 30% of India's trade goods (goods& services taken together).

The latest worth for snare trade in items and services (BoP, current US\$) in India was (\$103680 Million) as of 2011. Over the past 6 years, the worth for this sign has fluctuated between (\$27, 276,34 Million) in 2005 and (\$103,680 Million) in 2011. Goods and services have very important functions in the country's development. So the present study examines the composition and direction of trade in items and trade in services of India during the time span of 1980 to 2010.

KEY WORDS Goods, Service, composition, Direction of trade.



INTRODUCTION

Economies are integrated inside the international partition of labour at distinct levels. How should the level of significance of international trade for a homeland be specified to contrast it with other economies? This is being finished by operationalizing the term openness degree, displaying the importance of a country's worldwide trade by finances openness signs. Therefore, a high openness degree of an finances comprises a high grade of participation inside the worldwide interlocking of trade. There are numerous ways to measure the significance of international trade. This is factual, since the period openness degree incorporates several attributes, leading not only to distinct advances to theoretically distinguish the openness degree but also to varied advances to conceive economy openness signs for empirical estimation. Thus, alternate operationalization advances lead to distinct finances openness indicators, implying that the operationalization of the openness degree has leverage on the results of analyses and hereby on their recommendations for the economic policy.

India's merchandise exports in the last ten years have registered important development. After the being hit by the international financial urgent situation, Indian trade goods recovered rapidly and in the current fiscal are expected to augment by more than 30%. With a development of more than 25% per annum in the last decade, significance of services trade goods as foreign exchange earners has increased by a large measure in the last ten years. Special financial Zones have appeared as a foremost source of trade goods, now accounting for round 30% of India's trade goods (goods & services taken together).

In the last decade Indian exports have been growing at a robust pace. During 2004 05 to 2008 09, the CAGR of India's trade goods accelerated to 22% from 14% during 2000 01 to 2003 04. After being strike by the international economic urgent situation in 2008, India's merchandise exports had entered a yearlong phase of contradictory development. However, this trend was apprehended soon and since November 2009 trade goods growth has been affirmed. General throughout time span April February 2010 11, trade goods come to a grade of US \$ 208.2 billion listing a y o y development of 31.4%. The Ministry of business & Industry anticipates trade goods for this fiscal to be around \$ 235 billion, moving in line with the development recorded in the fiscal till now.

The study examines the composition and main heading of trade in items and trade in services of India. Need of gladly accessibility of data the study taken to analyze main heading and composition of trade in items and trade in services of India from the time span of 2000-2010.

METHODOLOGY

Direction and composition of trade in goods and trade in services of India identified with the help of simple descriptive tools like tables, diagrams and cumulative frequencies.

COMPOSITION OF TRADE IN GOODS AND TRADE IN SERVICES OF INDIA

The study examines the composition of trade in goods and trade in services of India, with the help of a taking India's export and import with top ten countries from the periods of 2000 to 2010. That table is given below.

Table .1 India's Export and Import with Top Ten Countries (2000-2010)

(Values in Rs. Lakhs)

Countries	Export	Import	Total Trade
Belgium	34.1112	47.1427	81.2539
France	24.0517	20.7243	44.776
Germany	43.4077	45.201	88.6087
Hong Kong	56.6839	20.0271	76.711
Japan	33.5468	37.2155	70.7623
Netherland	30.0789	8.7006	38.7795
Saudi Arabia	23.8482	43.9044	67.7526
U.A.E	107.7348	51.7011	159.4359
U.K	52.9556	40.354	93.3096
U.S. A	195.21	77.7299	272.9399

Source: Export Import Data Bank

India's Export and Import with Top Ten Countries are represented in the Table 1. The Table reveals that India's highest trading partner is the USA in the case of both export and import. So total trade in the U.S.A is higher than the other countries. Whereas lowest export and import trading partners of India's are Saudi Arabia and France respectively.

DIRECTION OF TRADE IN GOODS AND TRADE IN SERVICES OF INDIA

The study discusses the direction of trade in goods and trade in services of India, with the help of a taking India's export and import with top ten countries in three period's i.e., 2000-01, 2005-06 and 2010-11 and it is represented by the tables and pie diagrams

Table .2 Direction of Trade in Goods and Trade in Services of India (2000-01)

(Values in Rs. Lakhs)

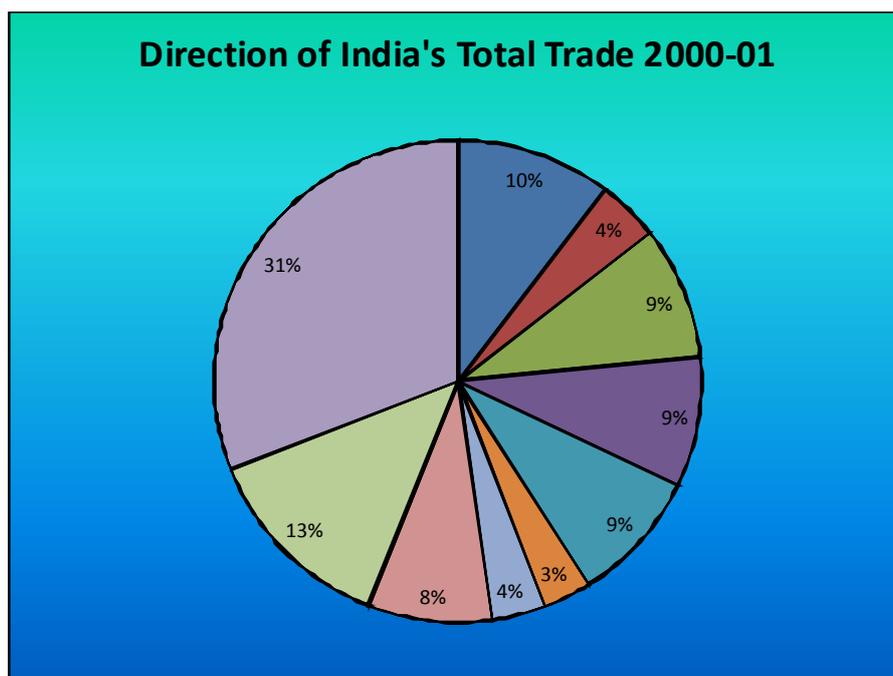
Countries	Exports	Imports	Total trade
Belgium	3.3001	5.6792	8.9793
France	2.2891	1.268	3.5571
Germany	4.2809	3.4818	7.7627
Hong Kong	5.9265	1.6861	7.6126
Japan	4.0271	3.6453	7.6724
Netherland	1.9751	0.8658	2.8409
Saudi Arabia	1.8468	1.2291	3.0759
U.A.E	5.8292	1.304	7.1332
U.K	5.1587	6.2686	11.4273
U.S.A	20.8821	5.966	26.8481

Source: Export Import Data Bank

Direction of trade in goods and trade in services of India in the period of 2000-01 is given in the table .2. The Table indicates that in 2000-01 India exported more goods and services (20.8821 R.S in Lakhs) in to the USA and very low value of export of goods and services to Saudi Arabia and at the same

time imports from U.S.A is 5.966 R.S in Lakhs. But the import of goods and services of country very high from U.K and less from Netherland. In spite of all these things countries total trade highest and lowest trading partners is US.A, Netherland respectively.

Figure .1



Note: ■ BELGIUM ■ GERMANY ■ JAPAN ■ SAUDI ARAB ■ U K ■ FRANCE ■ HONG KONG
 ■ NETHERLAND ■ U ARAB EMTS ■ U S A

Table .3 Directions of Trade in Goods and Trade in Services of India (2005-06)
 (Values in Rs. Lakhs)

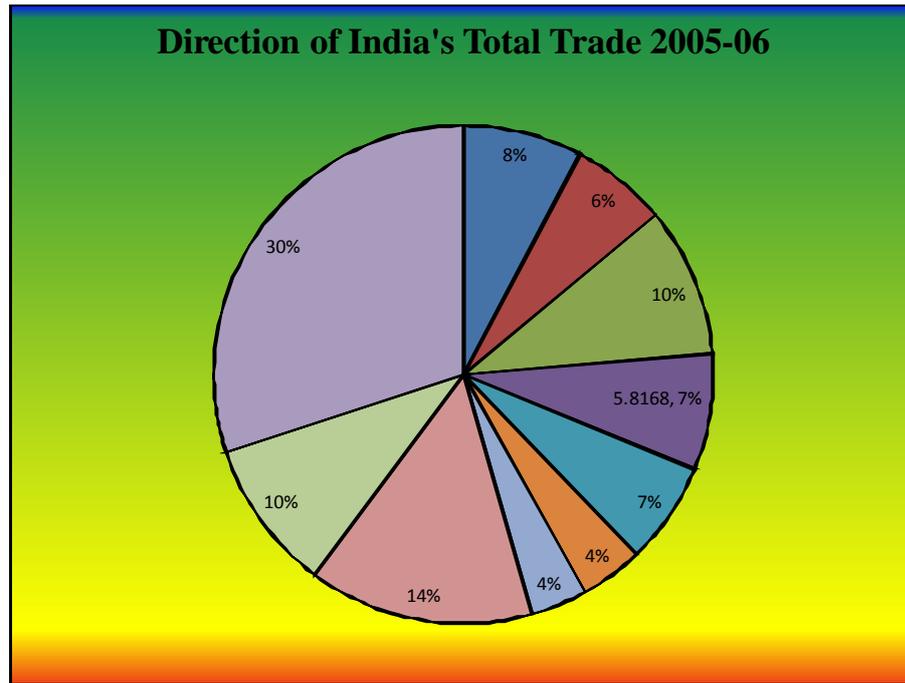
Countries	Exports	Imports	Total trade
Belgium	2.7852	3.1677	5.9529
France	2.0172	2.7575	4.7747
Germany	3.4786	4.0382	7.5168
Hong Kong	4.3373	1.4795	5.8168
Japan	2.4069	2.7225	5.1294
Netherland	2.4006	0.7036	3.1042
Saudi Arabia	1.7555	1.0943	2.8498
U.A.E	8.3342	2.919	11.2532
U.K	4.9076	2.6349	7.5425
U.S.A	16.8328	6.3384	23.1712

Source: Export Import Data Bank

Direction of trade in goods and trade in services of India in the period of 2005-06 is reported in the table .3. The Table reveals that in 2005-06 India exported more goods and services (16.8328 R.S in Lakhs) in to the USA and very low value of export of goods and services (1.7555 R.S in Lakhs) to Saudi Arabia and at the same time imports from

the U.S.A is very high (6.3384 R.S in Lakhs) in comparing to other countries . Whereas the import of goods and services of country very less from Netherland. In spite of all these things countries total trade highest and lowest trading partners is US.A, Saudi Arabia respectively.

Figure .2



Note: ■ BELGIUM ■ GERMANY ■ JAPAN ■ SAUDI ARAB ■ U K ■ FRANCE ■ HONG KONG
 ■ NETHERLAND ■ U ARAB EMTS ■ U S A

Table .4 Direction of Trade in Goods and Trade in Services of India (2010-11)
 (Values in Rs. Lakhs)

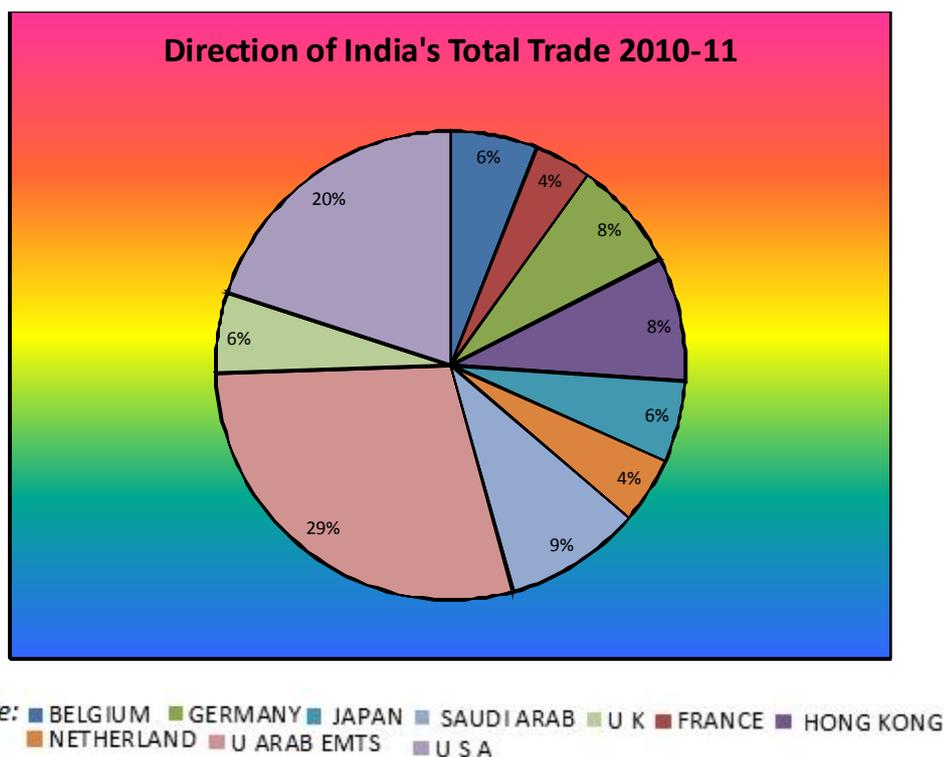
Countries	Exports	Imports	Total trade
Belgium	2.3052	2.3273	4.6325
France	2.0725	1.0019	3.0744
Germany	2.6877	3.2157	5.9034
Hong Kong	4.1156	2.5439	6.6595
Japan	2.0281	2.335	4.3631
Netherland	3.0579	0.5003	3.5582
Saudi Arabia	1.8633	5.5157	7.379
U.A.E	13.4625	8.8581	22.3206
U.K	2.9024	1.459	4.3614
U.S.A	10.0789	5.4268	15.5057

Source: Export Import Data Bank

Direction of trade in goods and trade in services of India in the period of 2010-11 is shown in the table 4. The Table tells that in 2010-11 India exported more goods and services (13.4625 R.S in Lakhs) in to U.A.E and very low value of export of goods and services (1.8633 R.S in Lakhs) to Saudi

Arabia and at the same time imports from U.A.E is very high (8.8581 R.S in Lakhs) in comparing to other countries . In the case of import of goods and services very less from Netherland. In spite of all these things countries total trade highest and lowest trading partners is U.A.E and France respectively.

Figure .3



CONCLUSION

The study evaluated the Direction and composition of trade in goods and trade in services of India. The result of the study indicated that India's highest total trading partner was U.S.A and then followed by the U.A.E, U.K. but in 2010-11 it is changed and highest total trading partner is U.A.E and then followed by U.S.A and Saudi Arabia respectively. In 200-01 lowest total trading partner of India was Netherland whereas in 2005-06 and 2010-11 it is changed from Saudi Arabia to France respectively.

REFERENCES

1. Alessandro Barattieri et al *Comparative Advantage, Service Trade, and Global Imbalances*. CIRPEE.
2. Bagawati et al, *The Muddles over The Journal of Economic Perspectives*, American Economic Association Vol. 18, No. 4 (Autumn, 2004), pp. 93-114.
3. Biswajit Nag, Debdeep De, *Services in Regional Trade Agreements: Implications for India*. Working Paper, Department of Economics, Jadavpur University.
4. Chandra R (2000) *GATS & Developing Countries, A case Study of Indian Services in the International Economy*, Chp 11, World Bank, pp. 245-265.
5. *Export Import Data Bank*, Department of commerce, published by Govt of India
6. Gupta KR., *International Economics, Volume no 2*, Published by Atlantic Publishers and Distributors (P) Ltd.
7. Joan E. Spero, Jeffrey A Hart., *The politics of International Economy*, Published by Thomson Learning Academic Resource centre.
8. Nicola Phillips and Catherine, E Weaver., *International Political Economy*, Published by Routledge Taylor and Francis group London, Newyork.
9. P& BD Group (corporate planning & economic studies), *Focus: Growth & Composition of India's Exports*, Economy Mirror, vol no 9 Of 2011, 17th march 2011.