



# India's International Trade and Investment

# Structure of the Presentation

**Indian Economy**

**India's Merchandise Trade**

**India's Trade in Services**

**India's Investment Flows**





# Indian Economy

## Strong Economic Fundamentals

- **World's 6th largest economy** based on **nominal GDP** in 2017<sup>(1)</sup>
  - *Nominal GDP for 2017: ~US\$ 2.6 trn<sup>(1)</sup>*
- **World's 3rd largest economy** based on **GDP measured in PPP terms** in 2017<sup>(1)</sup>
  - *GDP in PPP terms for 2017: ~US\$ 9.5 trn<sup>(1)</sup>*
- Favorable demographic profile: **66%** of the population is in the **age group of 15 to 64 years**<sup>(2)</sup>
- Sovereign rating: Baa2/Positive (Moody's), BBB-/Stable (S&P), BBB-/Stable (Fitch)
- IMF expects growth pick up in 2018 supported by strong private consumption, recovery in exports and infrastructure investment
- GDP growth forecast for 2018 at 7.3%<sup>(1)</sup>. RBI forecasts India's GDP to grow at 7.4% in FY 19.
- Implementation of **demonetization** and **GST** expected to strengthen fundamentals of the economy through increased tax collection and greater financial inclusion

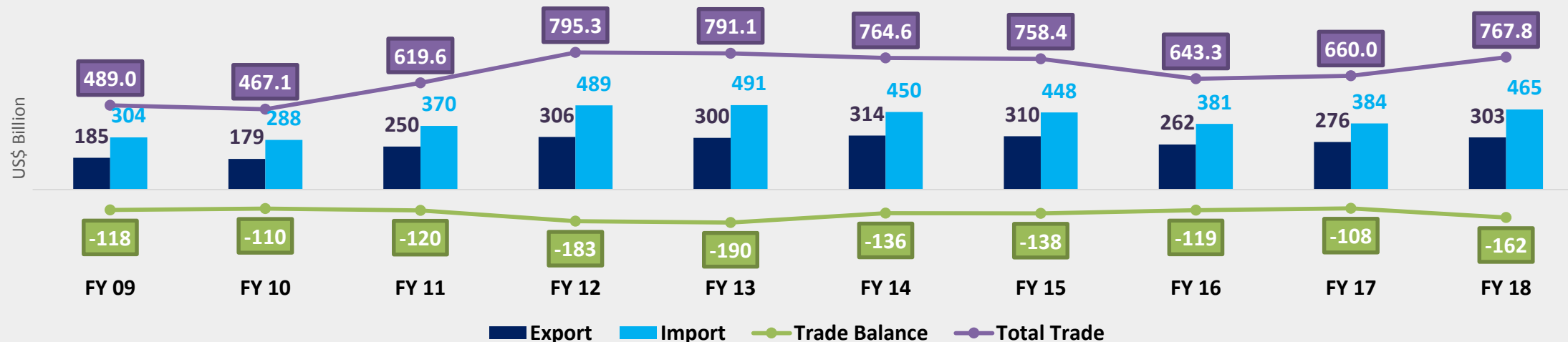
- **India's Ranking jumped to 77<sup>th</sup> in Doing Business 2019**
  - India's position jumped 23 places compared its previous ranking (100<sup>th</sup>) in Doing Business 2018
  - One of the top 10 economies out of 190 to improve the most in areas of Doing Business
  - Improvement in 6 parameters (out of 10): Construction permits, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency
- **Ranked 3<sup>rd</sup> most prospective FDI Destination for 2017-19 by UNCTAD Business Survey 2017**
- **Ranked 44<sup>th</sup> in World Bank's Logistics Performance Index 2018 among 160 countries**
- **Ranked 58<sup>th</sup> among 140 countries in Global Competitiveness Index (GCI) 4.0 2018**
  - India's position jumped 5 places compared to its ranking (62<sup>nd</sup>) in 2017
  - BRICS Countries: China (28<sup>th</sup>), Russia (43<sup>rd</sup>), South Africa (67<sup>th</sup>) and Brazil (72<sup>nd</sup>)
- **Ranked 57<sup>th</sup> among 126 economies in the Global Innovation Index (GII) 2018**
  - GI surveys economies using a range of metrics from patent filings to education spending
  - India's ranking rose by 3 positions from previous year, and 9 positions from 2016





# India's Merchandise Trade

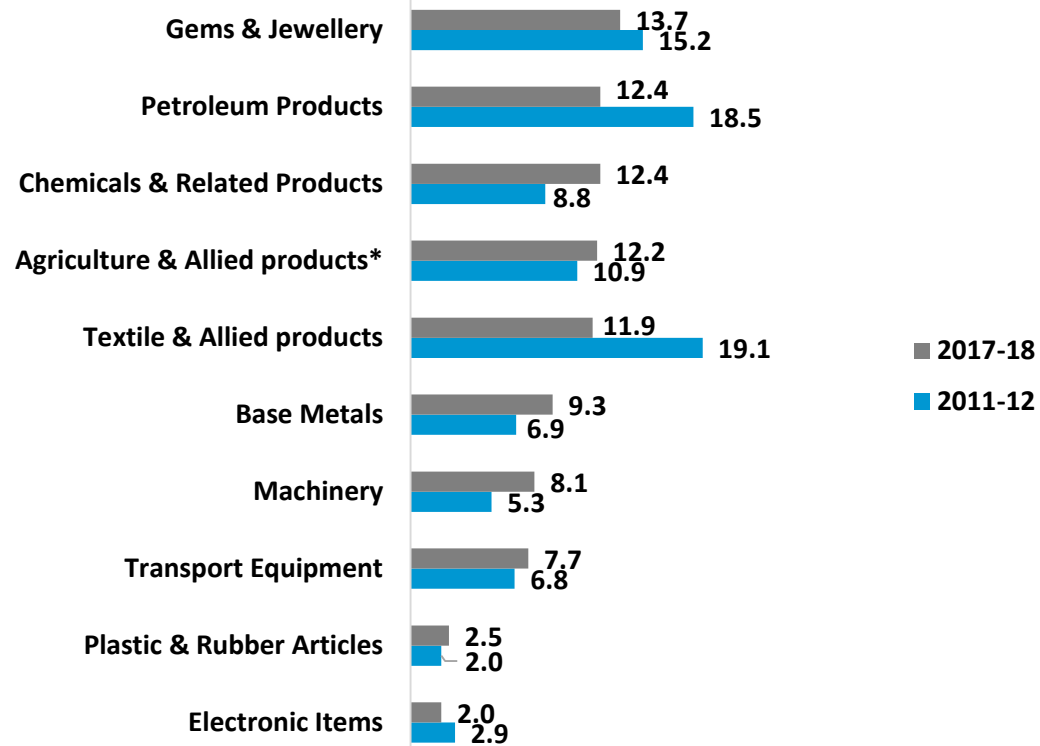
# Recovery in India's Merchandise Trade



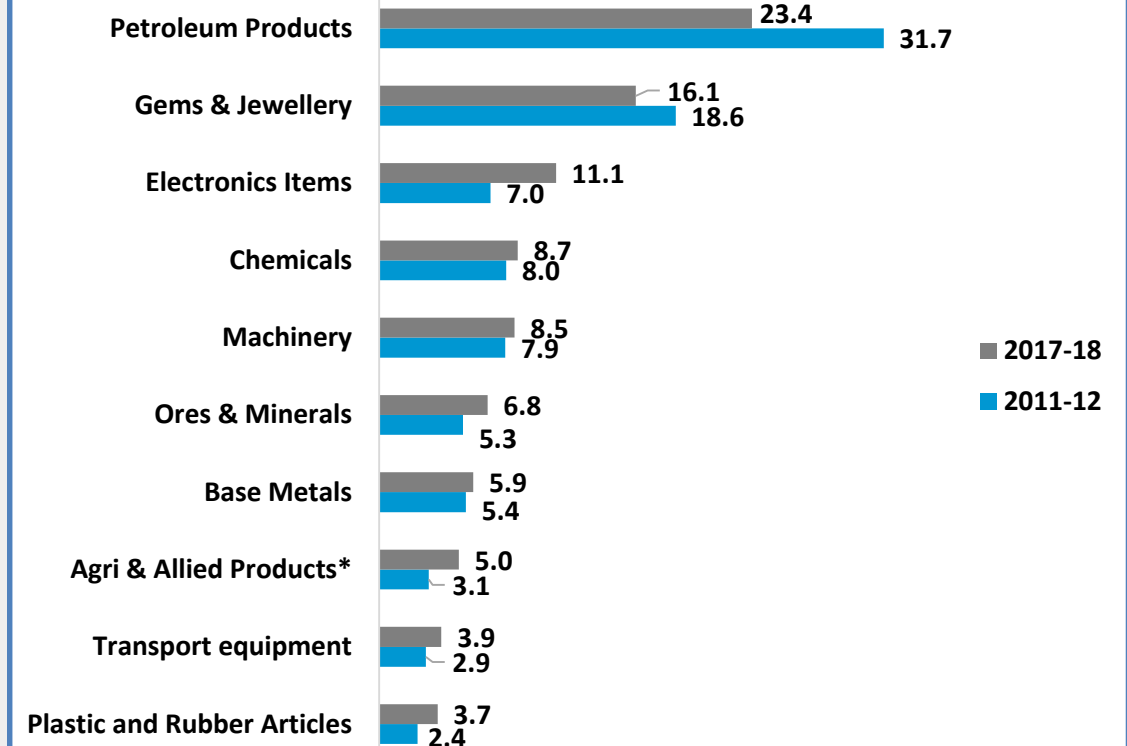
- India's total trade peaked in 2012-13 as a result of the increase in commodity prices
- India's exports grew by a CAGR of 5.6% from US\$ 185 billion in 2008-09 to US\$ 303 billion in 2017-18.
- Trade deficit widened to US\$ 162 billion in FY 18 as a result of the increased import of petroleum products (25%), gems and jewelry (38.9%) and electronic items (22.9%). These commodities accounted for 50% weightage in the import basket of India in 2017-18.
- Also, crude oil prices increased by 18 percent in dollar terms vis-à-vis last year accounting for a widening trade deficit.
- India's share in global merchandise trade increased to 2.1% 2017 from 1.7% in 2009.

# India's Merchandise Trade Basket

## Top Export Items (% Share)



## Top Import Items (% Share)

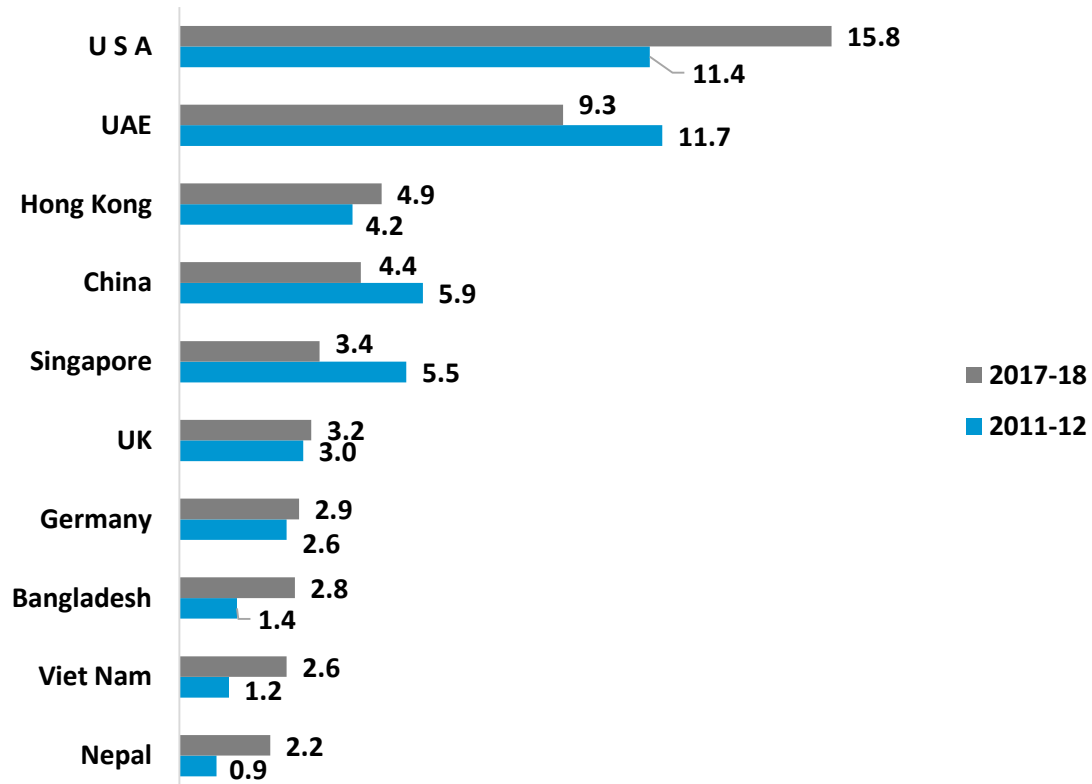


Note: Agriculture and Allied products also include plantation and marine products

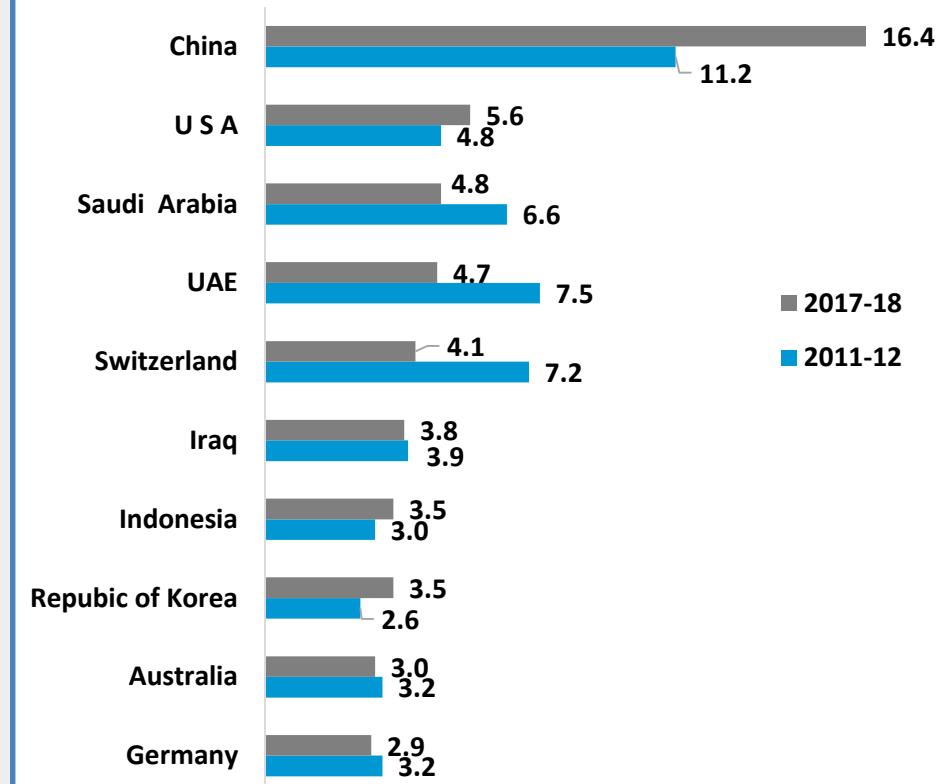


# India's Major Trade Partners

## Top Export Destinations (% Share)



## Top Import Sources (% Share)



# India's Increasing Share in Global Merchandise Exports

Rankings	Country	2005 (%)	Country	2010 (%)	Country	2017 (%)
1	Germany	9.2	China	10.3	China	12.8
2	USA	8.6	USA	8.4	USA	8.7
3	China	7.3	Germany	8.2	Germany	8.2
4	Japan	5.7	Japan	5.0	Japan	3.9
5	France	4.4	Netherlands	3.8	Netherlands	3.7
6	Netherlands	3.9	France	3.4	South Korea	3.2
7	UK	3.7	South Korea	3.0	Hong Kong	3.1
8	Italy	3.6	Italy	2.9	France	3.0
9	Canada	3.4	UK	2.7	Italy	2.9
10	Belgium	3.2	Belgium	2.7	UK	2.5
11	Hong Kong	2.8	Hong Kong	2.6	Belgium	2.4
12	South Korea	2.7	Russia	2.6	Canada	2.4
13	Russia	2.3	Canada	2.5	Mexico	2.3
14	Singapore	2.2	Singapore	2.3	Singapore	2.1
15	Mexico	2.0	Mexico	1.9	UAE	2.0
16	Chinese Taipei	1.9	Chinese Taipei	1.8	Russia	2.0
17	Spain	1.8	Spain	1.7	Spain	1.8
18	Saudi Arabia	1.7	Saudi Arabia	1.6	Chinese Taipei	1.8
19	Malaysia	1.3	<b>India</b>	<b>1.5</b>	Switzerland	1.7
20	Sweden	1.2	UAE	1.4	<b>India</b>	<b>1.7</b>
21	Switzerland	1.2	Australia	1.4	Thailand	1.3
22	Austria	1.2	Brazil	1.3	Poland	1.3
23	Brazil	1.1	Malaysia	1.3	Australia	1.3
24	UAE	1.1	Switzerland	1.3	Saudi Arabia	1.2
25	Thailand	1.1	Thailand	1.3	Malaysia	1.2
26	Ireland	1.0	Poland	1.0	Brazil	1.2
27	Australia	1.0	Sweden	1.0	Viet Nam	1.2
28	Norway	1.0	Indonesia	1.0	Czech Republic	1.0
29	<b>India</b>	<b>0.9</b>	Austria	1.0	Indonesia	1.0

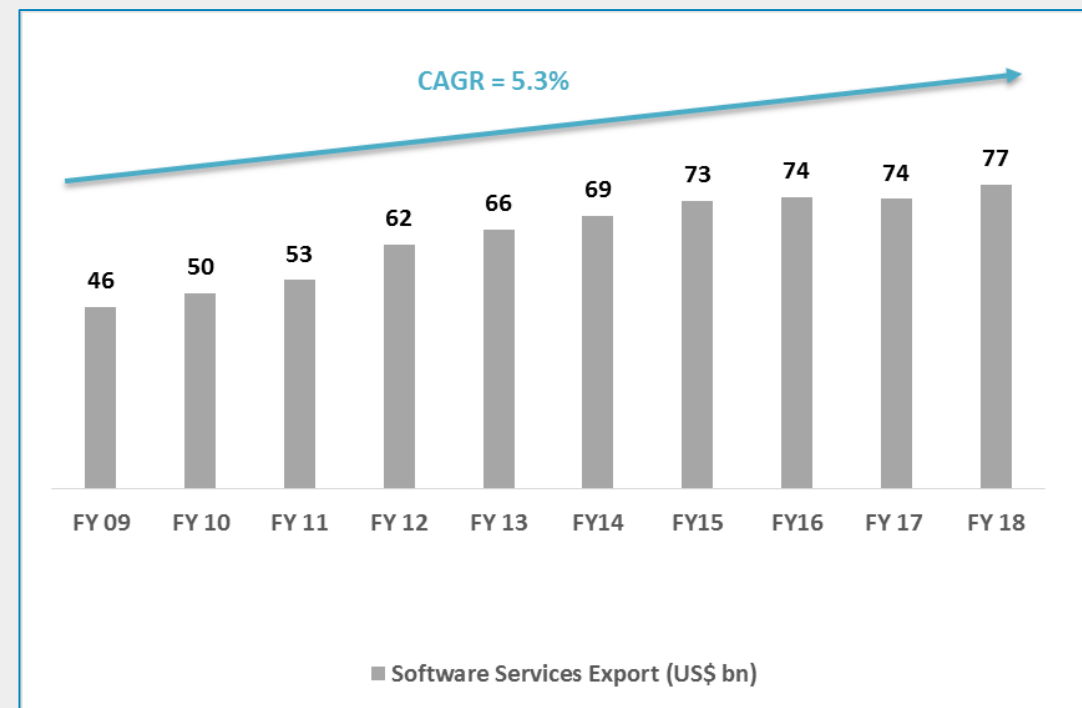
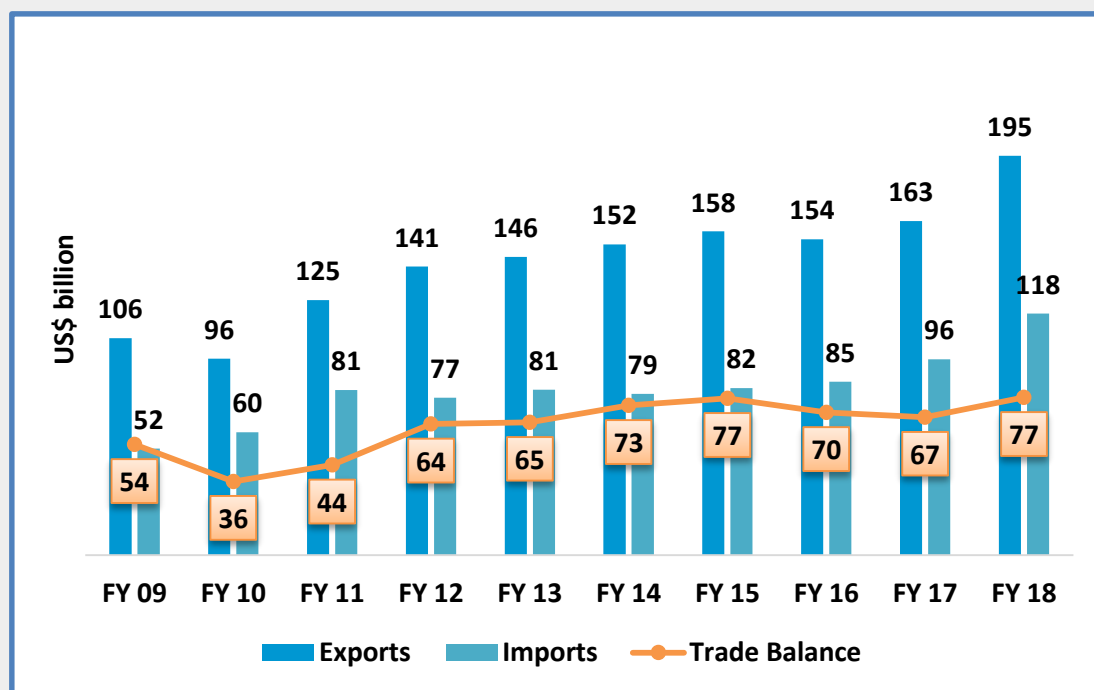


# India's Trade in Services



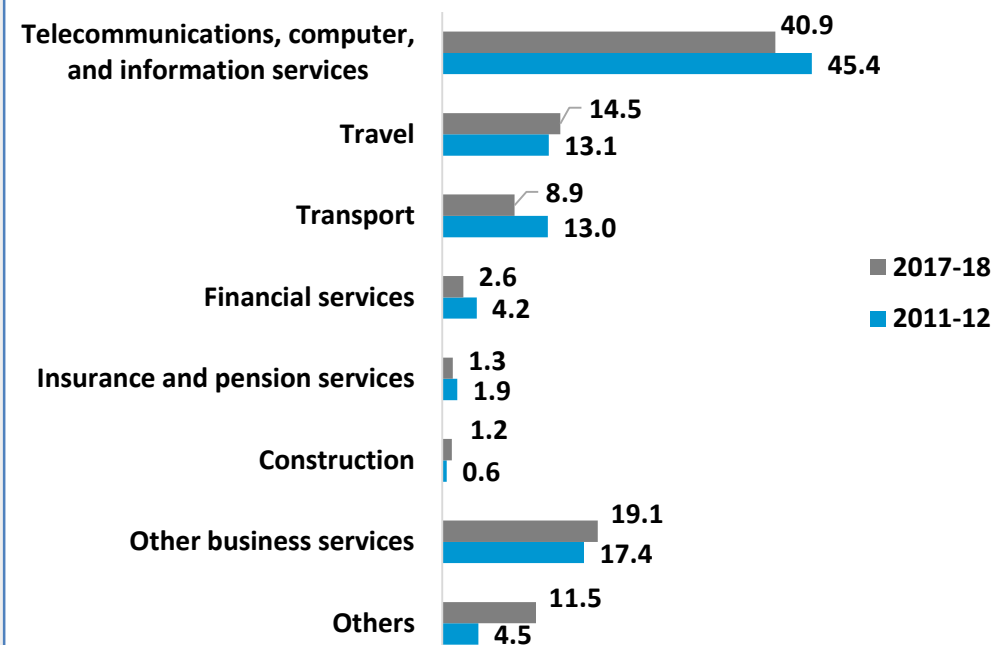
# India's Trade in Services

## Strong Services Exports

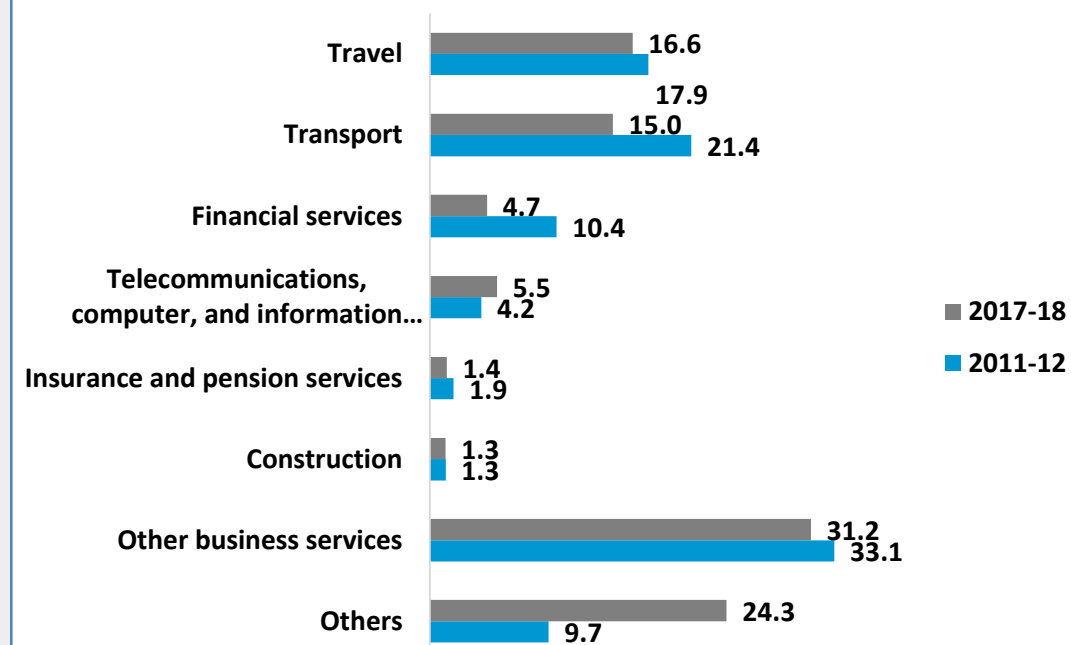


# India's Trade in Services

## India's Services Exports (% share)



## India's Services Imports (% share)



Note: Other business services include research & development services, professional & management consulting services and technical & trade related services.  
 Other services include personal, cultural & recreational services, government goods & services, charges for using intellectual property, maintenance & repair services and manufacturing services..

# India's Share in Global Services Exports

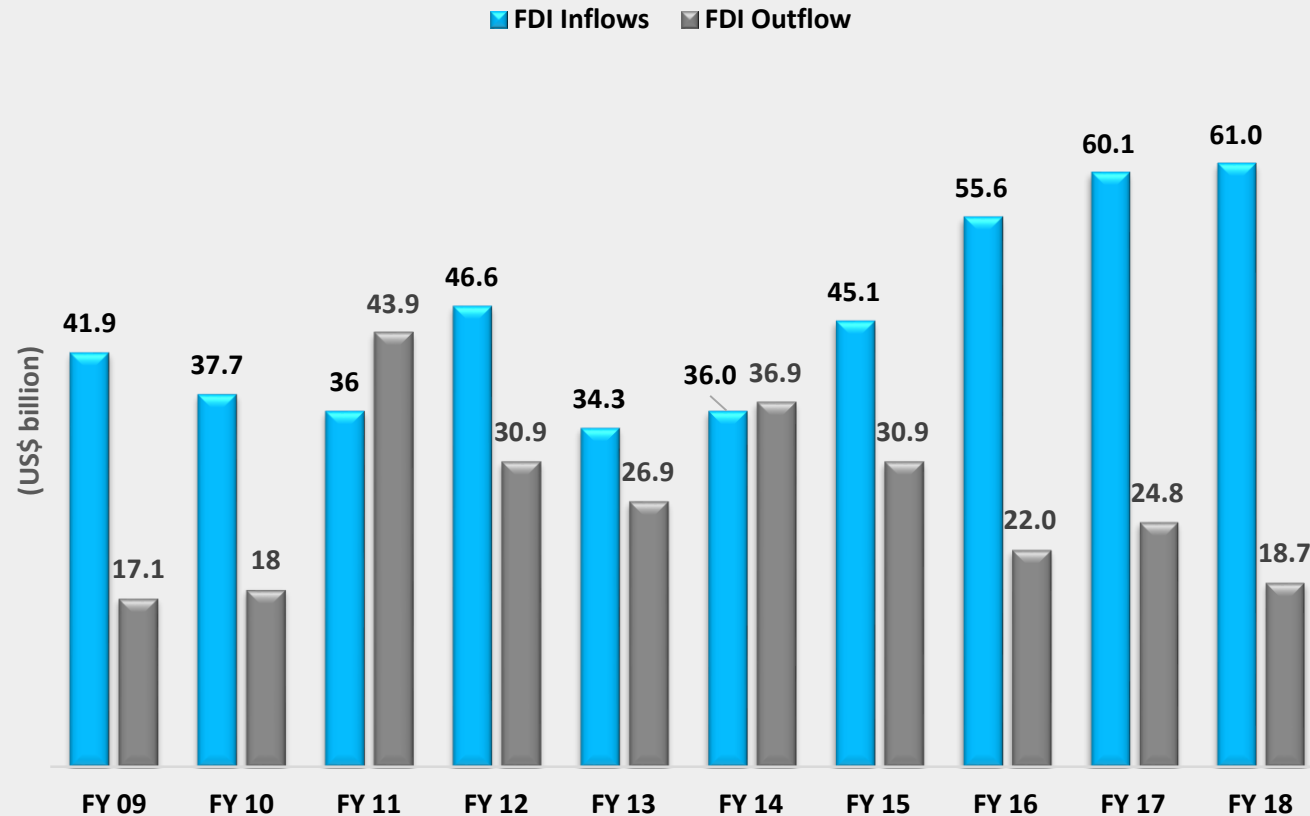
Ranking	Country	2005 (%)	Country	2010 (%)	Country	2017 (%)
1	USA	14.7	USA	14.3	USA	14.5
2	UK	8.1	UK	6.9	UK	6.7
3	Germany	6.4	Germany	6.4	Germany	5.6
4	France	4.8	France	5.0	France	4.7
5	Japan	4.3	China	4.2	China	4.3
6	Spain	3.7	Japan	3.6	Netherlands	4.1
7	Netherlands	3.6	Spain	3.2	Ireland	3.5
8	Italy	3.5	Netherlands	3.0	Japan	3.5
9	China	2.9	<b>India</b>	<b>3.0</b>	<b>India</b>	<b>3.4</b>
10	Hong Kong	2.5	Hong Kong	2.7	Singapore	3.1
11	Ireland	2.3	Ireland	2.5	Spain	2.6
12	Belgium	2.2	Italy	2.5	Switzerland	2.3
13	Canada	2.2	Singapore	2.4	Belgium	2.2
14	Singapore	2.2	Belgium	2.4	Italy	2.1
15	<b>India</b>	<b>2.0</b>	South Korea	2.2	Hong Kong	2.0
16	Switzerland	1.9	Switzerland	2.1	Luxembourg	1.9
17	South Korea	1.9	Canada	1.9	South Korea	1.6
18	Denmark	1.7	Luxembourg	1.6	Canada	1.6
19	Sweden	1.7	Denmark	1.6	Thailand	1.4
20	Austria	1.7	Sweden	1.6	Sweden	1.4





# India's Investment Flows

# India's Foreign Direct Investment Flows

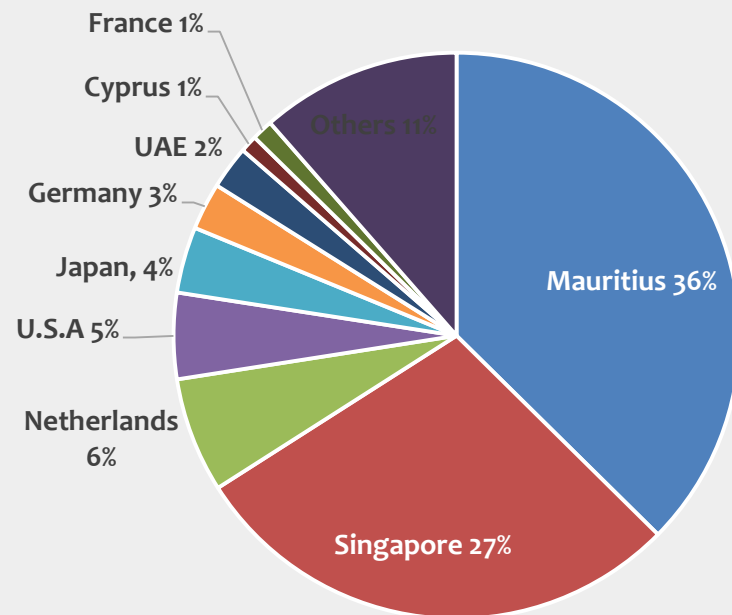


- ◆ FDI inflow into India increased to US\$ 61 bn in FY2018, as compared to US\$ 41.9 bn in FY2009, mainly due to the rise in equity inflows during the period.
- ◆ FDI outflow from India stood at US\$ 18.7 bn in FY2018, against US\$ 17.1 bn in FY2009.

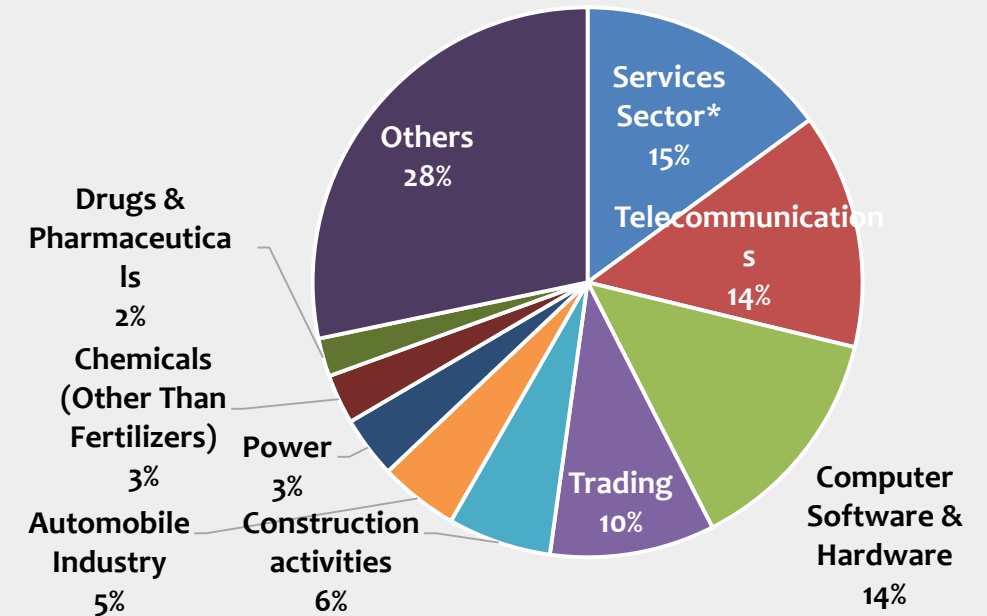
# India's Foreign Direct Investment Flows

India's FDI Inflows – FY2018 stood at US\$ 44.9 bn<sup>#</sup>

Top FDI Investing Countries



Sector-Wise FDI Inflows

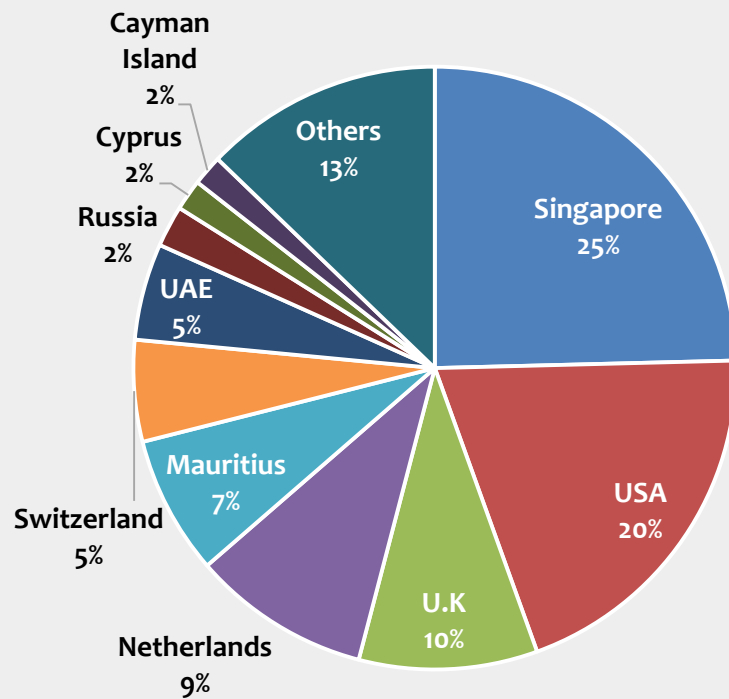




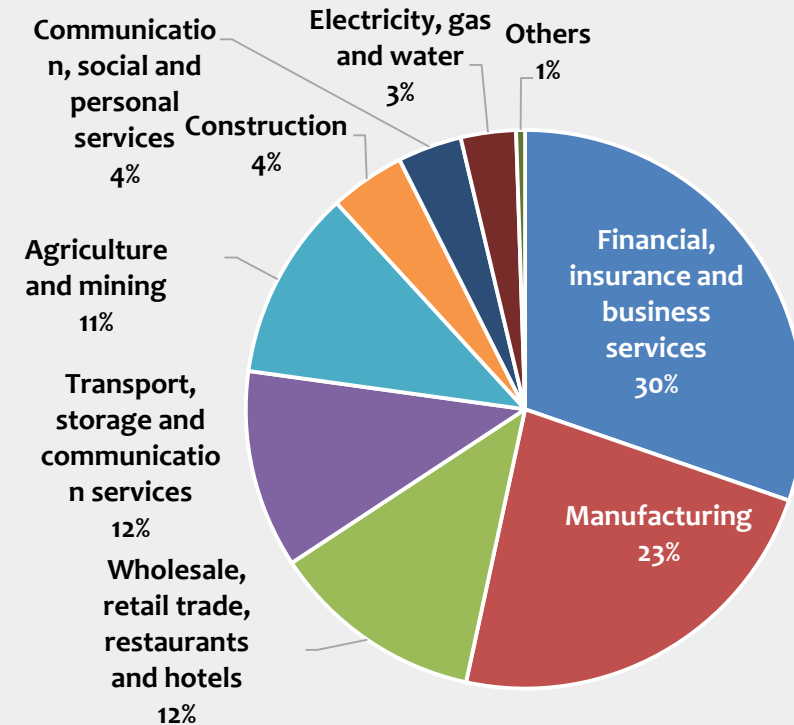
# India's Foreign Direct Investment Flows

## India's FDI Outflows – FY2018 (US\$ 18.7 bn)

Destination-wise FDI Outflows



Sector-wise FDI Outflows





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