



EMERGING ISSUES OF THE TRENDS IN INTERNATIONAL TRADE IN THE SECOND QUARTER 2021- ISSUES AND CHALLENGES.

Dr.Padmini S.V

Assistant Professor, Department of Economics, University College of Arts, Tumkur University, Tumkur.
572 103.

Abstract

In spite of economic disruptions from COVID-19, on the whole global trade held up relatively well during 2020. In Q1 2021, the value of global trade in goods and services grew by about 4 per cent quarter-over-quarter and by about 10 per cent year-over-year. The trade rebound of Q1 2021 continues to be driven by the strong export performance of East Asian economies. The value of global trade in goods and services is forecast to reach US\$ 6.6 trillion in Q2 2021, equivalent to a year-over-year increase of about 31 per cent relative to the lowest point of 2020 and of about 3 per cent to the pre-pandemic levels of 2019. Overall forecast for 2021 indicates an increase of about 16 per cent from the lowest point of 2020 (19 per cent for goods and 8 per cent for services). Research Methodology: Objectives of the study: To examine the details of Exports of various Countries, To examine the exports of Indian Economy, To examine the Merchandise trade volume and real GDP, 2017-2022; examine the Growth in the Volume of World merchandise exports and production 2010-2020, To examine the Growth in the Volume of World Merchandise trade by selected region and economy :2010-2020, To examine the Leading Exporters and importers in World merchandise trade, To examine the Leading exporters and importers in World trade in Commercial Services during 2020, To examine the Balance of Trade, Imports and Exports in Indian Economy. Nature and Source of data: The study made with the help of secondary data and information obtained through journals, reports, periodicals and internet. Conclusion: In the coming years surely, India will experience favorable balance of payment conditions.

Key Words: World Merchandise Trade, Commercial Services, International Mobility Volume of World, Favourable Balance of Payment Conditions.

I. Introduction

Global trade trends and forecasts

In spite of economic disruptions from COVID-19, on the whole global trade held up relatively well during 2020. In Q1 2021, the value of global trade in goods and services grew by about 4 per cent quarter-over-quarter and by about 10 per cent year-over-year. The trade rebound of Q1 2021 continues to be driven by the strong export performance of East Asian economies. The value of global trade in goods and services is forecast to reach US\$ 6.6 trillion in Q2 2021, equivalent to a year-over-year increase of about 31 per cent relative to the lowest point of 2020 and of about 3 per cent to the pre-pandemic levels of 2019. Overall forecast for 2021 indicates an increase of about 16 per cent from the lowest point of 2020 (19 per cent for goods and 8 per cent for services).

Trade trends for the major economies in Q1 2021:

China, India, and South Africa have fared relatively better than other major economies during Q1 2021. China's exports in pandemic levels. Imports and exports of major trading economies in Q1 2021

Source: UNCTAD calculations based on national statistics.

Note: Growth rates of Q1 relative to year averages for 2019 and 2020. Seasonally adjusted and in US dollars. * Denotes estimates.



II. Review of Literature

1. Are COVID-19 spread and mortality related to different countries' government mobility restriction policies, democratic institutions, and cultural norms? Leveraging data from 140 countries, we find that policy, institutions, and vulnerabilities interact to determine pandemic spread and mortality. A delay in restricting *international* mobility increases pandemic mortality. Combining vulnerabilities with a delay in domestic mobility restrictions increases mortality. Democratic countries have faster policy responses and lower pandemic mortality, but they also face more adverse effects from a delay in restricting domestic mobility. More individualistic countries have a higher pandemic spread, and their delay in domestic mobility restrictions is associated with higher pandemic mortality (Sheng Fang, Mike W. Peng, L. Colin Xu, Yuanyuan Yi, The Interplay of Policy and Institutions during COVID-19).

2. Hira Zahid, Malik Fahim Bashir, Muhammad Tahir & Muhammad Tahir made study on Relationship between Preferential Trade Agreements and Foreign Direct Investment: Evidence from a Panel of 147 Countries. This study examines the impact of preferential trade agreements (PTAs) on the inflows of foreign direct investment (FDI). Empirical results suggest that FDI gains of preferential trade are increasing with the market size of the preferential trading partners but not due to their economic and geographic closeness to the host country. It is also observed that the association between PTAs and inflows of FDI only exists for middle- and high-income countries, whereas this relationship disappeared for low-income countries. This study recommends that countries should offer various trade related benefits to overseas investors in order to attract higher inflows of capital.

III. Research Methodology:

Objectives of the study

1. To examine the details of Exports of various Countries.
2. To examine the exports of Indian Economy.
3. To examine the Merchandise trade volume and real GDP, 2017-2022^a
4. To examine the Growth in the Volume of World merchandise exports and production 2010-2020
5. To examine the Growth in the Volume of World Merchandise trade by selected region and economy :2010-2020
6. To examine the Leading Exporters and importers in World merchandise trade.
7. To examine the Leading exporters and importers in World trade in Commercial Services during 2020.
8. To examine the Balance of Trade, Imports and Exports in Indian Economy.

Nature and Source of data

The study made with the help of secondary data and information obtained through journals, reports, periodicals and internet.

IV. Results and Discussion.



Table 1, Details of Exports of Various Countries:

India Exports by Country	Last	Previous	
United States	465.31	476.15	INR Billion
United Arab Emirates	155.22	152.11	INR Billion
China	123.32	131.41	INR Billion
Netherlands	80.14	57.27	INR Billion
Hong Kong	67.23	72.94	INR Billion
Belgium	64.81	55.01	INR Billion
Singapore	63.10	63.91	INR Billion
Nepal	61.67	52.60	INR Billion
Germany	58.74	62.99	INR Billion
Italy	58.22	57.95	INR Billion
Saudi Arabia	45.72	69.10	INR Billion
Indonesia	45.42	45.99	INR Billion
Brazil	43.36	36.56	INR Billion
Australia	40.34	51.87	INR Billion
Israel	37.20	36.36	INR Billion
Nigeria	37.14	23.05	INR Billion
Japan	36.91	37.88	INR Billion
South Africa	35.14	37.80	INR Billion
France	34.43	36.03	INR Billion
Thailand	32.21	31.02	INR Billion

Source: World Trade Statistical Review 2021.

The above table indicate the details of exports in various Countries.

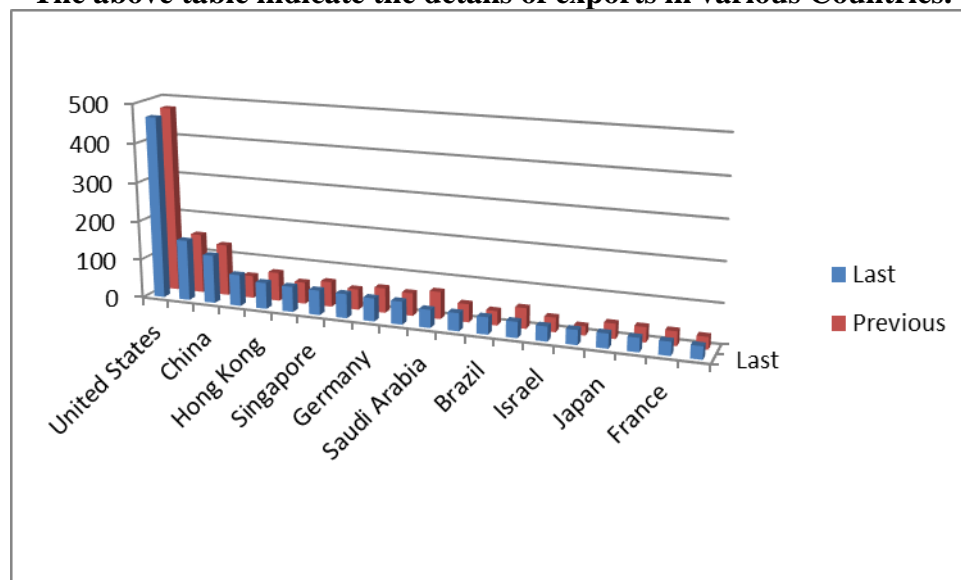


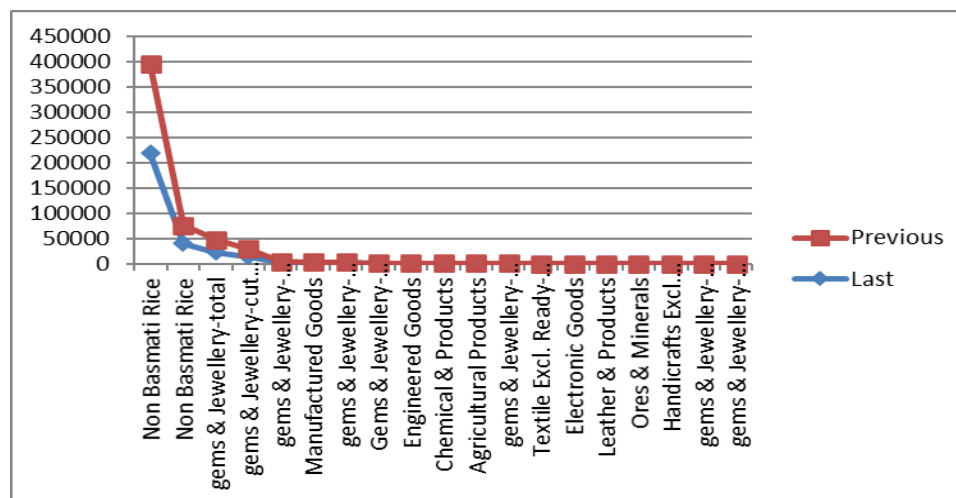


Table 2, Details of Exports of Indian Economy

India Exports by Category	Last	Previous	
Non-Basmati Rice	218528.02	176786.26	INR Million
Non-Basmati Rice	40626.85	35972.83	INR Million
gems & Jewellery-total	23259.55	24239.81	INR TML
gems & Jewellery-cut & Polished Diamo	14028.04	15083.33	INR TML
gems & Jewellery-gold Jewellery	1966.18	2040.07	INR TML
Manufactured Goods	1789.22	1819.11	INR Billion
gems & Jewellery-silver Jewellery	1578.71	1619.67	INR TML
Gems & Jewellery- Rough Diamonds	912.45	482.81	INR TML
Engineered Goods	694.14	715.53	INR Billion
Chemical & Products	343.92	332.43	INR Billion
Agricultural Products	269.93	263.06	INR Billion
gems & Jewellery-coloured Gemstones	217.44	191.29	INR TML
Textile Excl. Ready-made Garments	147.95	152.69	INR Billion
Electronic Goods	86.07	85.18	INR Billion
Leather & Products	28.32	28.63	INR Billion
Ores & Minerals	22.50	27.01	INR Billion
Handicrafts Excl. Hand-made Carpets	13.64	13.52	INR Billion
gems & Jewellery-pearls	1.32	0.13	INR TML
gems & Jewellery-synthetic Stones	0.68	0.60	INR TML

Source: World Trade Statistical Review 2021.

The above table indicate the details of exports of Indian Economy.



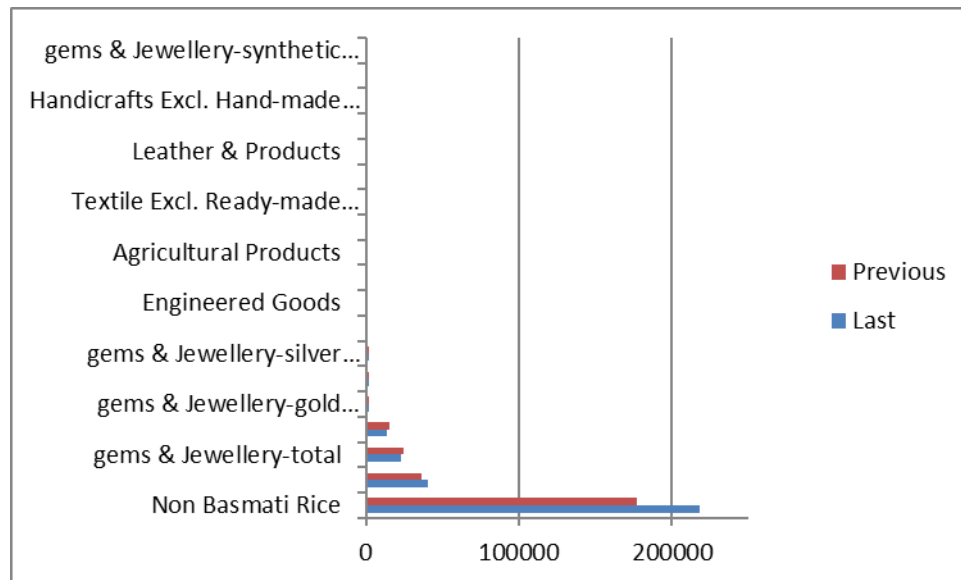


Table 3

Merchandise trade volume and real GDP, 2017-2022

	2017	2018	2019	2020	2021P	2022P
Volume of world merchandise trade ^b	4.9	3.2	0.2	-5.3	8.0	4.0
Exports						
North America	3.4	3.8	0.3	-8.5	7.7	5.1
South America ^c	2.3	0.0	-2.2	-4.5	3.2	2.7
Europe	4.1	1.9	0.6	-8.0	8.3	3.9
CIS ^d	3.9	4.1	-0.3	-3.9	4.4	1.9
Africa	4.7	2.7	-0.5	-8.1	8.1	3.0
Middle East	-2.1	4.7	-2.5	-8.2	12.4	5.0
Asia	6.7	3.8	0.8	0.3	8.4	3.5
Imports						
North America	4.4	5.1	-0.6	-6.1	11.4	4.9
South America ^c	4.5	5.4	-2.6	-9.3	8.1	3.7
Europe	3.9	1.9	0.3	-7.6	8.4	3.7



CIS ^d	14.0	4.1	8.5	-4.7	5.7	2.7
Asia	6.7	3.8	0.8	0.3	8.4	3.5
Imports						
North America	4.4	5.1	-0.6	-6.1	11.4	4.9
South America ^c	4.5	5.4	-2.6	-9.3	8.1	3.7
Europe	3.9	1.9	0.3	-7.6	8.4	3.7
CIS ^d	14.0	4.1	8.5	-4.7	5.7	2.7
Africa	-1.7	5.4	2.6	-8.8	5.5	4.0
Middle East	1.1	-4.1	0.8	-11.3	7.2	4.5
Asia	8.4	5.0	-0.5	-1.3	5.7	4.4
World GDP at market exchange rates	3.3	3.0	2.4	-3.8	5.1	3.8
North America	2.3	2.8	1.9	-4.1	5.9	3.8
South America ^c	0.8	0.2	-0.7	-7.8	3.8	3.0
Europe	2.8	2.0	1.5	-7.1	3.7	3.6
CIS ^d	2.3	2.9	2.1	-0.5	1.0	1.2
Africa	3.1	3.1	2.9	-2.9	2.6	3.8
Middle East	0.7	0.5	0.1	-6.0	2.4	3.5
Asia	5.1	4.6	4.1	-1.1	6.1	4.1

Source: WTO for trade, consensus estimates for GDP.

The above table indicate the Merchandise trade volume and real GDP, 2017-2022

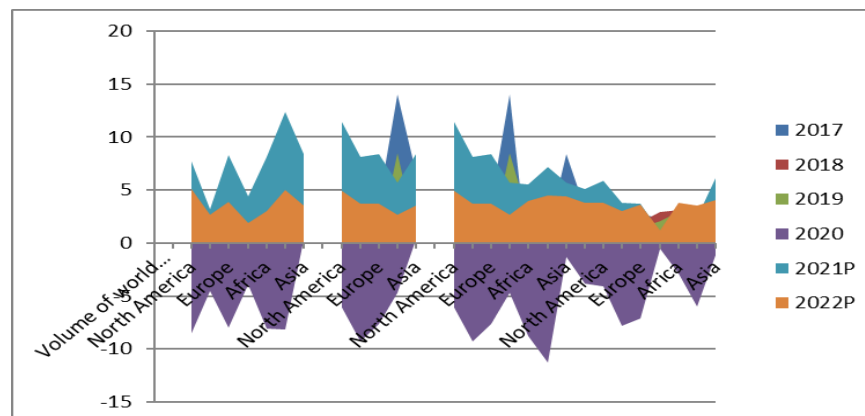




Table 4, Growth in the Volume of World Merchandise exports and production 2010-2020

Year	2010-20	2018	2019	2020
Particulars				
World Merchandise Exports	2.7	2.5	00	-5.1
Agricultural products	3.5	4.3	3.0	-2.3
Fuels and ining products	1.5	7.8	2.7	-3.1
Manufacturers	2.8	3.5	0.2	-6.3

Source: World Trade Statistical Review 2021.

The above table indicate the Growth in the Volume of World merchandise exports and production from 2010 to 2020.

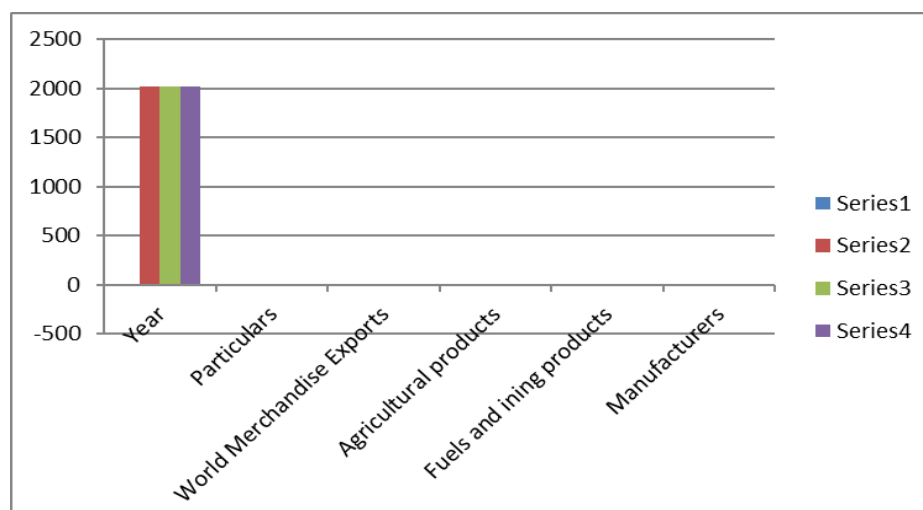
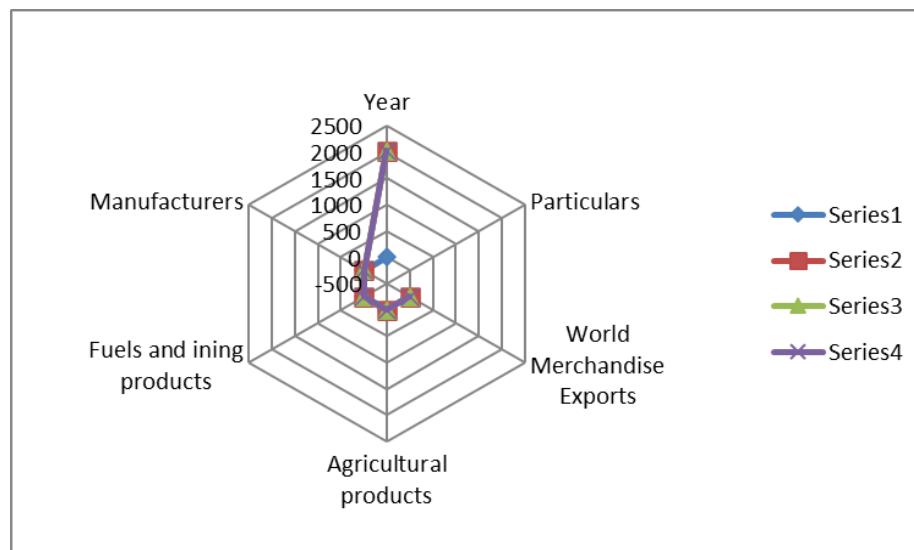


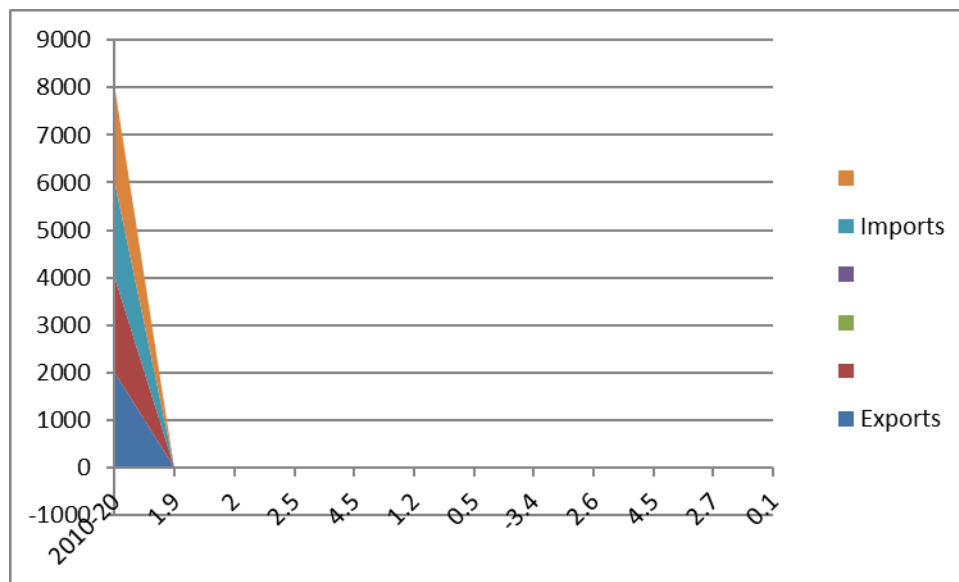


Table 5, Growth in the Volume of World Merchandise trade by selected region and economy :2010-2020

Exports				Imports		
2010-20	2019	2020	World	2010-20	2019	2020
1.90	0.3	-5.0	World	1.8	0.0	-5.6
2.0	0.3	-8.5	World America	2.1	-0.6	-6.1
2.5	2.3	-6.1	Canada	1.3	0.3	-9.4
4.5	1.3	-4.4	Mexico	1.4	-1.9	-15.2
1.2	-0.5	-10.3	USA	2.4	-0.5	-3.9
0.5	4.6	-13.6.	UK	0.6	2.1	-14.3
-3.4	0.8	0.3	Asia	3.4	-0.5	-1.3
2.6	0.5	-3.9	Australia	2.2	-1.4	-1.4
4.5	2.0	2.4	China	4.5	0.0	4.4
2.7	3.0	-11.6	India	2.4	-0.8	-14.9
0.1	-1.9	-8.1	Japan	1.4	0.4	-4.0

Source: World Trade Statistical Review 2021.

The above table indicate the Growth in the Volume of World Merchandise trade by selected region and economy :2010-2020.



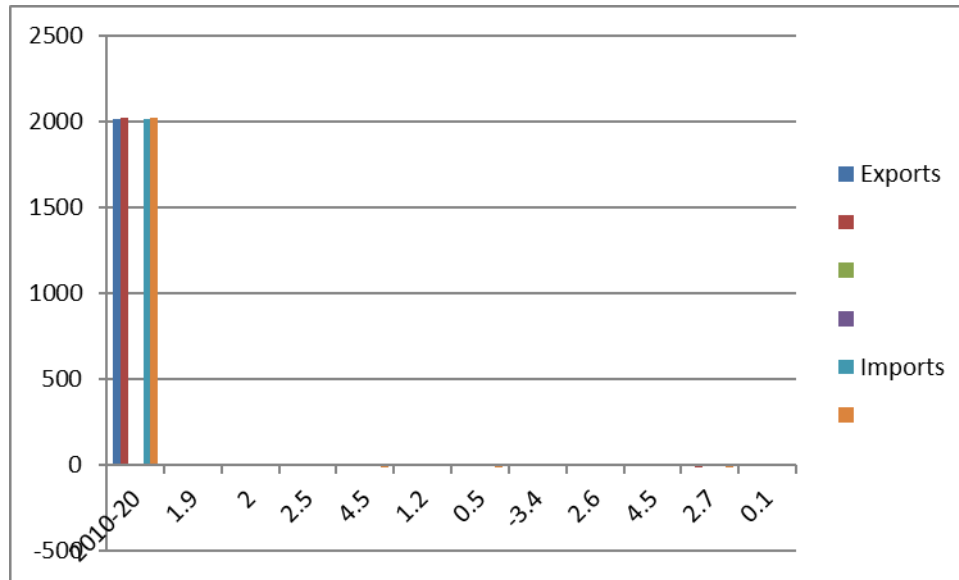


Table 6: Leading Exporters in World merchandise trade 2020 (Billion dollars and percentage).

Exporters	Value	Share	Annual percentage Change
China	2591	14.7	4
USA	1432	8.1	-13
Germany	1380	7.8	-7
Netherlands	674	3.8	-5
Japan	641	3.6	-9
France	488	2.8	-14
UK	403	2.3	-14
India	276	1.6	7

Source: : World Trade Statistical Review 2021.

The above table indicate the Leading Exporters in World merchandise trade 2020 (Billion dollars and percentage).

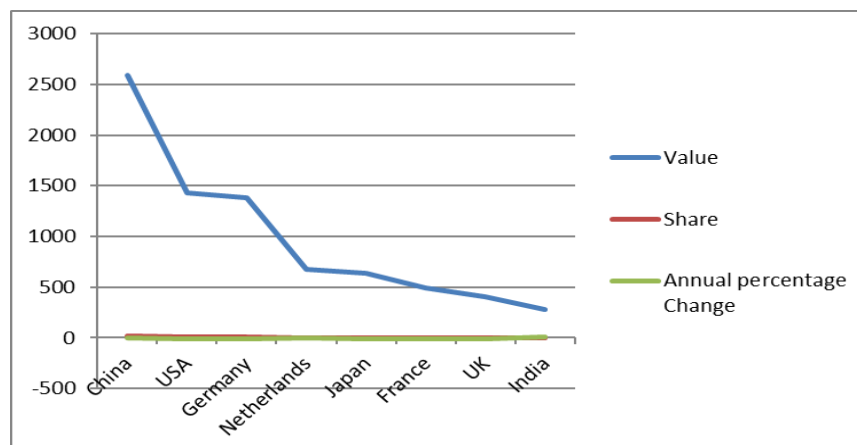




Table 7, Leading importers in World merchandise trade 2020 (Billion dollars and percentage).

Importers	Value	Share	Annual percentage Change
USA	2408	13.5	-6
China	2056	11.5	-1
UK	635	3.6	-9
Japan	635	3.6	-12
France	582	3.3	-11
India	372	2.1	-23
Germany	1171	6.6	-5
Netherlands	597	3.4	-6

Source: World Trade Statistical Review 2021.

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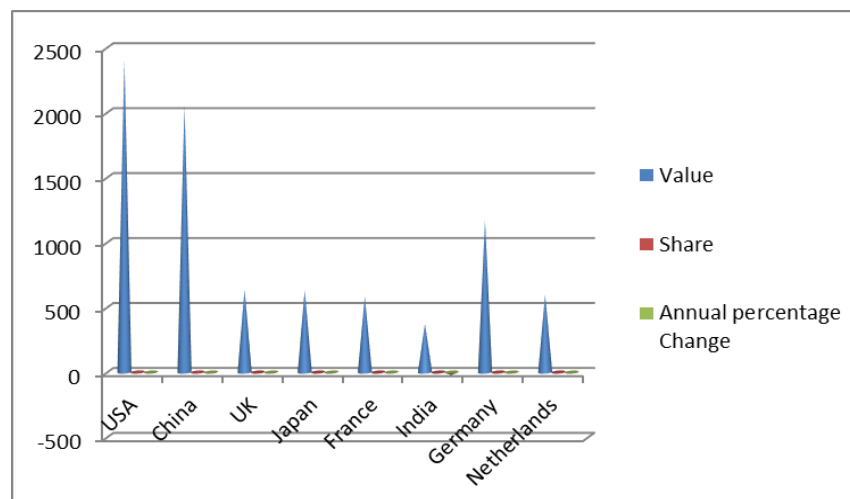


Table 8, Leading Exporters in World merchandise trade. (Excluding intra EU Trade 2020) (Billion dollars and percentage).

Exporters	Value	Share	Annual percentage change
China	2591	18.1	4
USA	1432	10.0	-13
Japan	641	4.5	-9
UK	403	2.8	-14
India	276	1.9	-15
Australia	250	1.7	-8
Thailand	231	1.6	-6
New Zealand	39	0.3	-11

Source: World Trade Statistical Review 2021.

The above indicate the Leading Exporters in World merchandise trade.

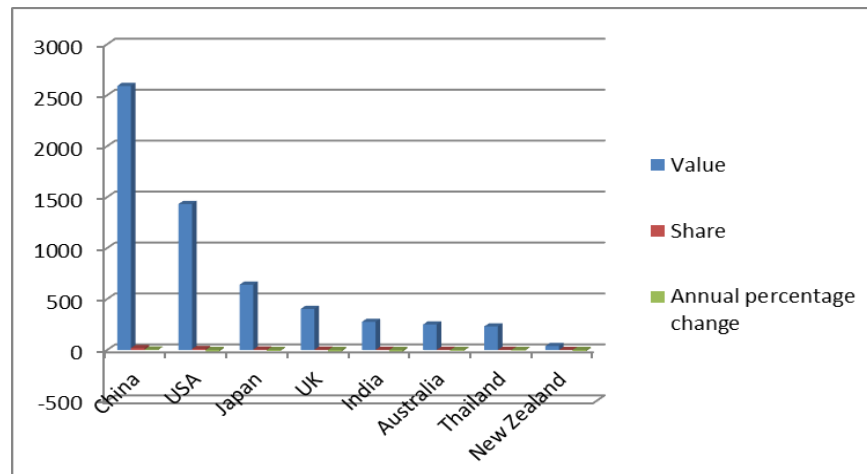


Table 9, Details of Importers in World merchandise trade.

Importers	Value	Share	Annual percentage change
USA	2408	16.5	-6
China	2056	14.0	1
UK	635	4.3	-9
India	372	2.5	-23
Thailand	207	1.4	-2
Australia	208	1.4	-6
New Zealand	37	0.3	-12
Japan	635	4.3	-12

Source: World Trade Statistical Review 2021.

The above table indicate the details of Importers in World merchandise trade

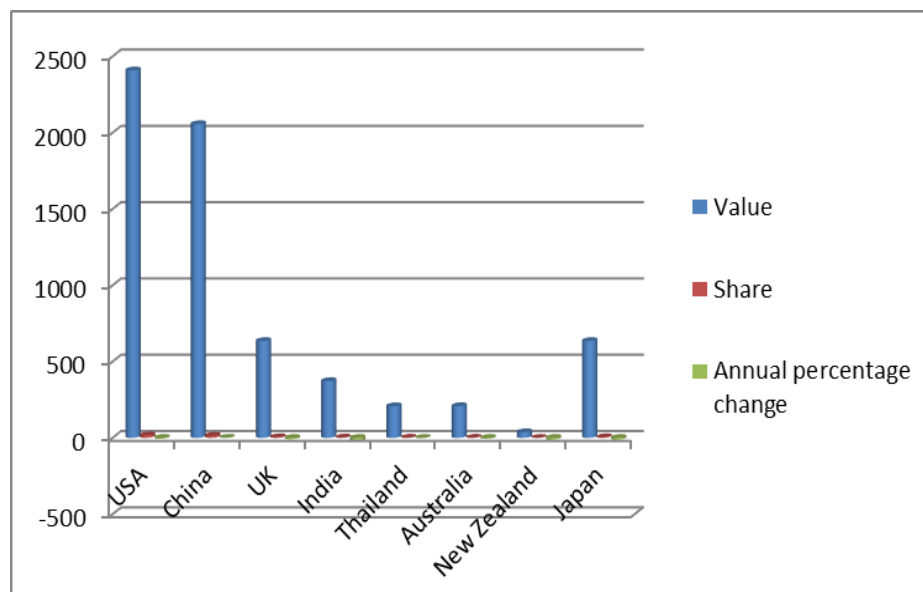




Table 10, Leading exporters in World trade in Commercial Services during 2020.
(Billion dollars and percentage)

Exporters	Value	Share	Annual percentage Change
USA	684	13.9	-20
UK	339	6.9	-16
Germany	305	6.2	-11
China	278	5.7	-1
France	245	5.0	-17
India	203	4.1	-5
Japan	156	3.2	-23
Australia	48	1.0	-32

Source: World Trade Statistical Review 2021.

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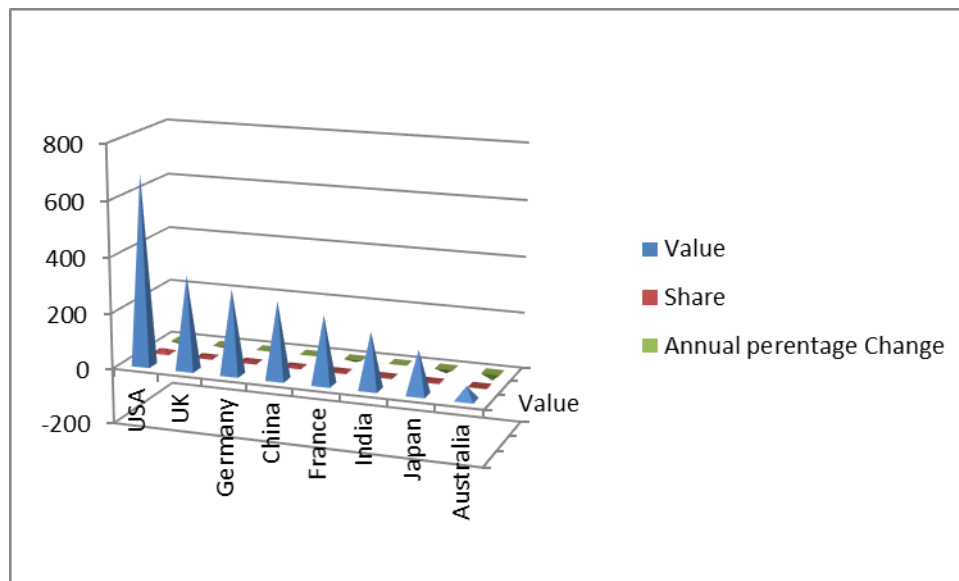


Table 11, Leading importers in World trade in Commercial Services during 2020.

Imports	Value	Share	Annual percentage Change
USA	436	9.5	-23
China	378	8.2	-24
Germany	307	6.7	-17
France	232	5.0	-14
UK	201	4.4	-26
Japan	183	4.0	-11
Netherlands	169	3.7	-36
Thailand	47	1.0	-18
Australia	37	0.8	-17

Source: World Trade Statistical Review 2021.



The above table indicate the Leading importers in World trade in Commercial Services during 2020.

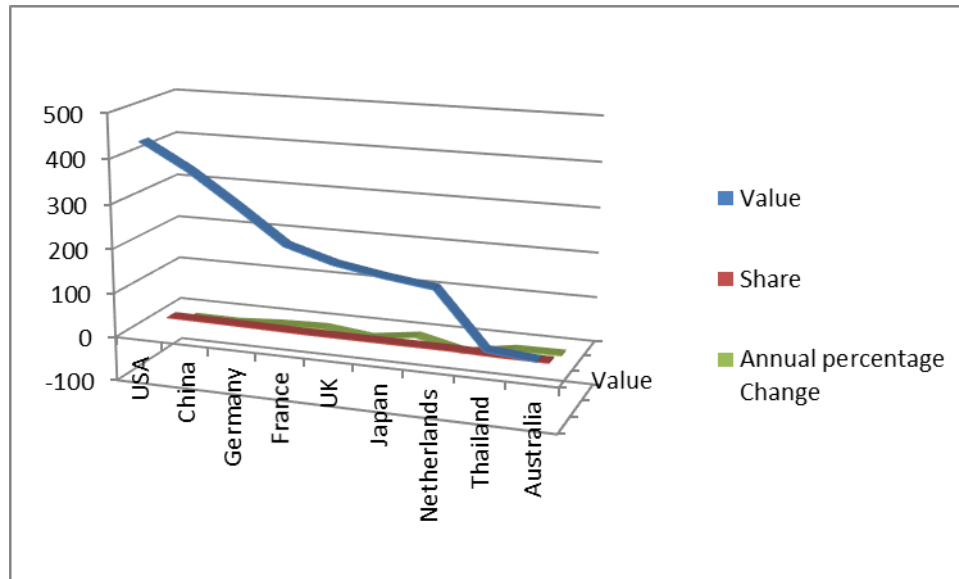


Table 12, Leading Exporters in World Trade in Commercial services during 2020.
(Billion dollars and percentage)

Exporters	Value	Share	Annual percentage change
USA	684	13.9	-20
UK	339	6.9	-16
Germany	305	6.2	-11
China	278	5.7	-1
France	245	5.0	-17
India	203	4.1	-5
Netherlands	186	3.8	-32
Japan	156	3.2	-23
Australia	48	1.0	-32
Thailand	31	0.6	-24
World	4914	100.0	-20

Source: World Trade Statistical Review 2021.



The above table indicate the Leading Exporters in World Trade in Commercial services during 2020

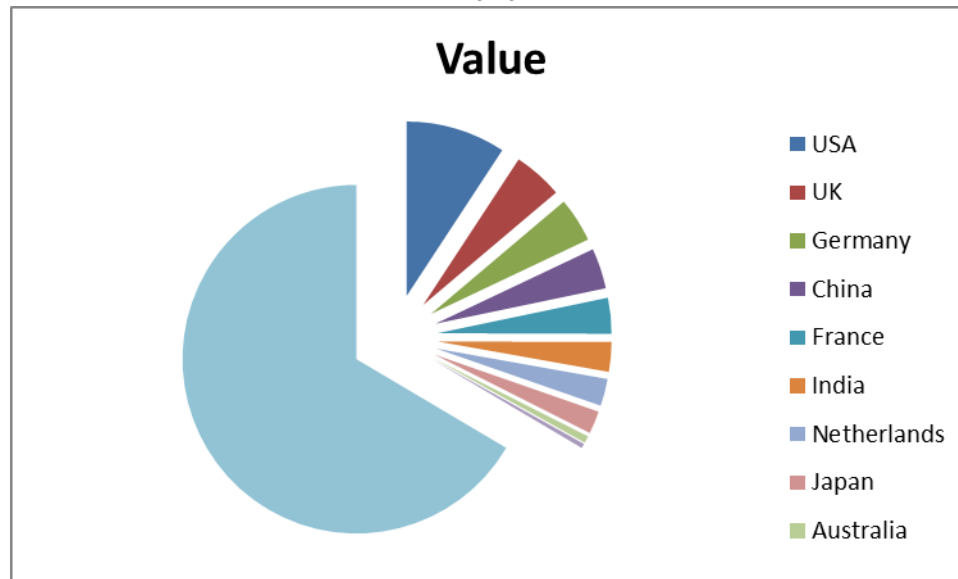
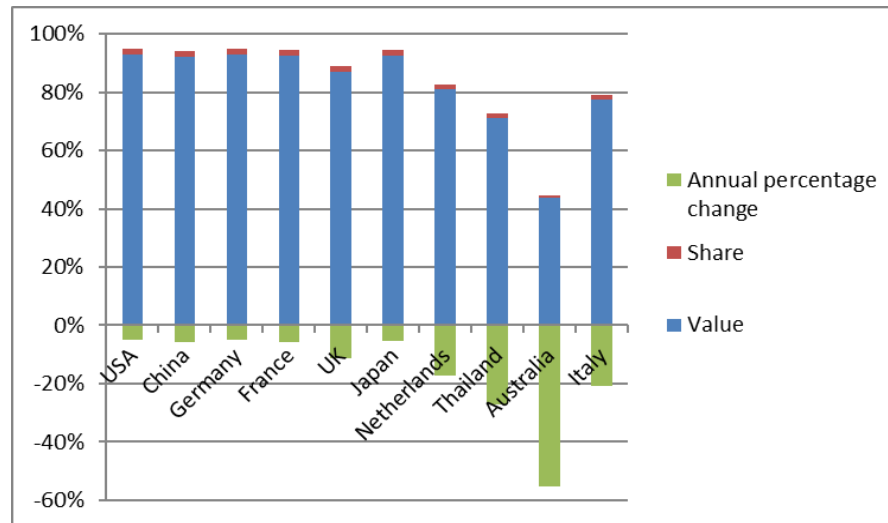


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Netherlands	169	3.7	-36
Thailand	47	1.0	-18
Australia	37	0.8	-47
Italy	92	2.0	-25

Source: World Trade Statistical Review 2021.

Leading importers in World Trade in Commercial services during The above table indicate the 2020.



Global Trade

Exports in India increased to 35470 USD Million in October from 33790 USD Million in September of 2021. Non-petroleum exports increased 29.6 percent year-on-year to USD 30,300 million. source: Ministry of Commerce and Industry, India

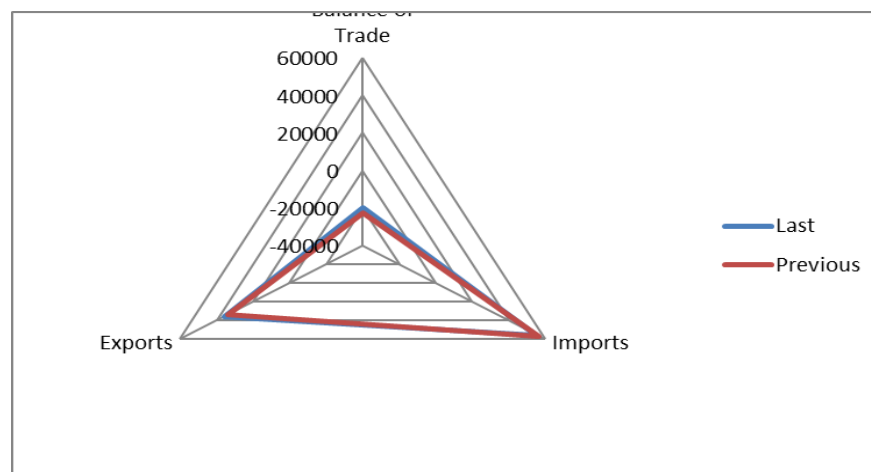
Table 15, Details of Balance of Trade, Imports and Exports in Indian Economy.

Related	Last	Previous	Unit
Balance of Trade	-19900.00	-22590.00	USD Million
Imports	55370.00	56390.00	USD Million
Exports	35470.00	33790.00	USD Million

Source: World Trade Statistical Review 2021.

The above table indicate the details of Balance of Trade, Imports and Exports in Indian

Economy World trade primed for strong but uneven recovery after COVID-19 pandemic shock.





Conclusion

Volume of world merchandise trade is expected to increase by 8.0% in 2021 after having fallen 5.3% in 2020. World merchandise trade volume is expected to increase by 8.0% in 2021 after falling 5.3% during 2020, a smaller decline than previously estimated. Trade growth will likely slow to 4.0% in 2022, with the total volume of global trade remaining below the pre-pandemic trend. World GDP at market exchange rates should increase by 5.1% during 2021 and 3.8% in 2022, after contracting by 3.8% in 2020. Merchandise trade in nominal dollar terms fell during 2020 by 8% while commercial services exports declined during 2020 by 20%. Falling oil prices led to a 35% contraction in trade in fuels during 2020. Travel services were down 63% during 2020 and are not expected to fully recover until the pandemic wanes. (New estimates from the WTO). In the coming years surely, India will experience favorable balance of payment conditions.

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