



India's Role in Global Trade and Economic Governance

Dr. Devaki Nilesh Rathod

Assistant Prof.in Economics,

Dr. Babasaheb Ambedkar Mahavidyalya, Aundh, Pune-67

Corresponding Author – Dr. Devaki Nilesh Rathod

DOI - 10.5281/zenodo.15111160

Abstract:

India's embedded liberalism is reflected in its behaviour at the multilateral level. The country is the third largest economy measured in terms of purchasing power parity. Therefore, India was invited as a member of G-20 to deliberate on financial crisis and other issues dealing with global economic management. India's articulation within the G-20 reveals a commitment to an embedded liberal order. One size does not fit all. India, for example, supports, the macroeconomics policy coordination mechanism of the G-20. Macroeconomic policies under this mechanism are determined by the concerned country, with the IMF only providing technical support. Moreover, India has taken positions that suggest that adjustment should not be front loaded. India's journey towards becoming a global economic power house is marked by remarkable achievements in its export landscape. The nation has demonstrated significant progress in diverse sector ranging from petroleum oil and agrochemicals to semiconductors are 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 initiative the country is not only expanding its export base but also string strengthening it's position as a reliable Global supplier. India's export performance in a several key product category at the 4 digit HS level has shown and notable success with the country maintaining or improving its rank among the top 10 Global supply as always exceeding \$1 billion in 2023.

Keywords: *Foreign Trade Policy, Export Landscape, FDI, Global Market*

Research Methodology:

This research paper based on secondary data. Data collected from various reference books, News Paper, Research Article & Websites.

Objectives:

1. To Study India's contribution in Global Market.
2. To Study Government Initiatives to Strength India's Export Landscape.

India's contribution in Global Market:

India has emerged as a dominant player in the Global export market showcasing remarkable growth across various sectors. The petroleum sector (Petroleum oils and oil obtained from Bituminous Minerals) has seen dramatic rise, with export values increasing from,\$60.40 billion in 2014 to \$,84.96 billion in 2023, capturing, a global market share of 12.59%. this significant leap has propelled India to the position of the second largest global exporter given by advanced refining infrastructure increased production capacity and adherence to international standards solidifying it's reputation as a dependable energy supplier worldwide. In agrochemical

sector, India has achieved notable success particularly insecticides, rodenticides and fungicide. By 2023 export reached \$ 4.32 billion, making a global market share of 10.85% up from 5.89% in 2014. Investments in research and development coupled with compliance with international standards, have positioned India as the third largest exporter globally. This growth underscores India's pivotal role in supporting sustainable agriculture. India's sugar exports have also witnessed exceptional growth with the country's share in the Global market for cane or sugar rising from 4.31% in 2014 to 12.21% in 2023. Export values reached \$ 3.72 billion in 2023 cementing India's position as the second largest sugar exporter. Strong production bases and favourable agricultural policies have enabled India to cater to growing demand particularly in South East Asia and Africa, Strengthening it's agricultural economy.

The electronics manufacturing sector has shown significant advancements reflected in exports of electrical transformers and related components, which grew from \$1.08 billion in 2014 to \$ 2.85 billion in 2023. India's global market share increased to 2.11% in 2023, and it is in 10th position up from 17th to 2014. Government initiative such as ' Make in India' and production linked incentive schemes have bolstered this progress creating robust manufacturing ecosystem. India has made remarkable strides in rubber pneumatic tyre exports which reached \$2.66 billion in 2023. Its global market share goes to 3.31% securing the 8th position or notable leap from 14th in 2014. This growth reflects India's emphasis on quality cost competitiveness and the ability to serve diverse market. Particularly in emerging economies. Similarly, exports of taps, valves and similar industrial products reached \$2.2 billion in 2023, capturing a 2.6% global market share and earning India the 10th. position globally. Advanced manufacturing process and adherence international standard have contributed to this success. The country strategic focus on electronics and a semiconductor has yielded impressive results. Exports grew from \$ 0.23 billion in 2014 to \$1.91 billion in 2023. Achieving a global market share of 1.40% and securing the 9th position, a significant jump from 20th in 2014. This progress highlights India's growing role in global semiconductor supply chain supported by a efforts to enhance domestic manufacturing and innovation additionally India's export of coal tar distillation products reached \$1.71 billion in 2023, global market share and securing 4th place globally showcasing its importance in industrial values chains. In the export operations and semi precious stones India has established itself as the world leader with its Global sharing surging from 2.64% in 2014 and outstanding 36.53% in 2023.

India plays a pivotal role in global trade, being one of the fastest-growing major economies and a key player in various international supply chains. The country is increasingly focusing on sustainable business models, promoting practices that balance economic growth with environmental stewardship and social responsibility. Through initiatives like "Make in India" and commitments to renewable energy, India is positioning itself as a leader in sustainable trade, attracting investments and fostering innovations that align with global sustainability goals (Rathod et al., 2024).

India has increasingly positioned itself as a key player in global trade, leveraging its vast consumer market, skilled workforce, and diverse production capabilities. Recent trends indicate a push towards self-reliance through initiatives like 'Make in India' while simultaneously expanding its trade relationships with countries across various regions, including the U.S., Europe, and ASEAN nations. Additionally, India's participation in multilateral trade agreements and its focus on digital trade are reshaping its economic landscape and enhancing its influence in international markets (Harale et al., 2024).

Government Initiatives to Strengthen India's Export Landscape:

The Central Government has implemented various initiatives and policies to enhance exports attract investment and promote ease of doing business.

1. A New Foreign Trade Policy was launched on March 31st, 2023 and took effect on April 1, 2023. The policy core approach is built on four key pillars:
 - i) Incentives for Remission
 - ii) Export promotion through collaboration with exporters, states district, and Indian missions.
 - iii) Enhancing ease of doing business by reducing transaction costs and implementing e-initiatives.
 - iv) Focus on emerging such as e-commerce, developing districts as export hubs, and streamlining the SCOMET (Special Chemicals Organisms Materials Equipment and Technologies) policy. It emphasizes emerging sectors like dual use high-end technology under SCOMET, boosting e-commerce exports, and fostering collaboration between states and districts for exports clear old pending authorizations and start anew. It also promotes the recognition of new towns through the "Town of Export Excellence Scheme" and acknowledges exporters via the Status Holder Scheme.
2. **Interest Equalization Scheme:** To further exporters, the Interest Equalization Scheme on pre-and post-shipment rupee exports credit has been extended until August 31 2024 with an allocation of Rs.12,788 crores. Assistance is also being provided through scheme like the Trade Infrastructure for Export Scheme (TIES) and the Market Access Initiative (MAI). Rebate of State and Central Levies and Taxes (RoSCTL) Scheme has been implemented since Jan.1, 2021. The RoDTEP Scheme was further expanded on December 15, 2022, to cover previously excluded sector like pharmaceuticals, organic and inorganic chemicals and iron and steel products. Additionally, anomalies in 423 tariff lines were addressed with revised rates effective from Jan. 16th 2023. A Common Digital Platform for the Certificate of Origin has been launched to boost free Trade Agreement (FTA) utilization by exporters.
3. **District as Export Hubs Initiative identifies export:** potential in each district and address bottlenecks while supporting local exporter and manufacturers to generate employment. Indian missions abroad play an enhanced role in promoting India's trade, tourism, technology, and investment goals. There is regular monitoring of performance involving with Commercial Missions abroad. Export Promotion Council, Commodity board/Authorities and Industry Associations, with corrective measures implemented as needed.
4. To attract domestic and foreign investment, the Government has introduced reforms such as the Goods and Service Tax., corporate tax reduction, FDI policy changes measures to reduce compliance burdens and initiatives to boost domestic manufacturing through public procurement orders, the Phased Manufacturing Programmes (PMP), and Quality Control. The Production-Linked Incentive (PLI) Scheme for 14 key sectors, with an outlay of Rs.1.97 lakh crore, aim to enhance manufacturing capabilities and exports.
5. The Government has prioritized simplifying, rationalizing digitizing, and decriminalizing its interface with business and citizens across all States and UTs. Over 42,000 compliances have been reduced and more than 3,800 provisions have been decriminalized. The National Single Window System allows business to apply for 277 central approvals, with information on 661 approvals available through the Know Your Approval Module. The Jas Vishwas (Amendment of Provision) Act, 2023 promotes trust-based governance, decriminalizing 183 provisions under 42 Acts managed by 19 ministries and departments.

6. India's roadmap for 2027 emphasizes global competitiveness, innovation and integration into global supply chains. Policy reforms have improved India's rank in the World Bank's Doing Business Report from 142nd in 2014 to 63rd in 2019. Also, India's rank in the Global Innovation Index (GII) among 32 economies has improved from 81st in 2015 to 40th in 2023. Intellectual Property Right reform has boosted patent grants from 5,978 in 2014-15 to 103,057 in 2023-24, while the number of designs registered grew from 7,147 to 30,672 during the same period.
7. **The Start-up:** Initiative launched to foster innovation & entrepreneurship, has created a strong ecosystem, with 1.33 lakh. DPIIT recognized start-up's action plan spans simplification, funding support, and industry academia partnerships. Trade policy reforms have furthered India's participation in global supply chains. The Foreign Trade Policy focuses on cost competitiveness, trade facilitation, and emerging sectors, provides a strong framework for promoting global supply chain. The Foreign Trade Policy focuses on cost competitiveness, trade facilitation, and emerging sectors, provides a strong framework for promoting global supply chain participation.
8. GoI Launched PM Gatishakti National Master Plan on 13th October, 2021, to support infrastructure and social sector planning through the PM Gatishakti NMP GIS-enabled portal. The implementation of PMGS promotes multimodal connectivity, improves last mile connectivity, and contributes to both Ease of Doing Business and Ease of Living. To complement the PM Gatishakti NMP the Policy was introduced on Sept. 17th, 2022 with the goal of reducing logistics costs and enhancing logistics efficiency across the country. Together, these policies are driving innovation and enabling greater integration with global supply chains.
9. The Comprehensive Trade Connect e-platform launch has successfully linked more than 6 lakhs IEC holders, 185 Indian Mission Officials and over 600 Export Promotion Council Members with the Directorate General of Foreign Trade /Doc offices and bank. This digital initiative improves the ease of doing business for small and medium enterprises by offering them valuable information and support, creating a more efficient transparent export ecosystem. The government has rolled out enhanced insurance cover for MSME Exporters to promote exports, which is expected to provide Rs.20,000 crore in credit at reduced costs. This initiative aims to enhance the competitiveness of Indian Exports and will benefit approximately 10,000 exporters.
10. The Self-certified electronic Bank Realization Certificate System reduces compliance costs, saving exporters over 125 Rs. Crore. This system also supports the government's broader objectives of fostering a digital, eco-friendly economy, reducing both administrative and environmental costs. The bulk generation and application programming Interface integration of eBRC streamline the process for exporters, especially small e-commerce businesses efficiently managing high-volume, low-cost transactions. This system helps those claims benefits and refunds more effectively, supporting their growth in International trade.
11. The E-commerce Export Hub (ECEH) initiative aims to revolutionize India's cross-border e-commerce potentially reaching USD 100 billion in export by 2030. These hubs connect SMEs, artisans and one District One Product (ODOP) producers to global market, boosting logistics efficiency and economic inclusion in Tier 2 and Tier 3 cities. On the Government e-Marketplace (GeM) revised pricing slabs now cap charges at Rs.3 lakh for order above market Rs.10 crore, significantly reducing transaction costs. The Bharat Mart I Dubai provides Indians MSMEs affordable access to Gulf Cooperation Council, (GCC) African and CIS market, enhancing exports to these regions.
12. Jansunwai, a platform that facilitates direct communication between stakeholders and the Government, eliminating intermediaries and saving time. A revamped National

Programme of Organic Production (NPOP) is set to benefit approximately 20 lakh farmers from 5,000 grower groups through enhanced export opportunities. It is expected to drive organic exports beyond USD 1 billion by 2025-26 benefiting approximately 20 lakh farmers

13. ICEGATE (Indian Customs Electronic Commerce/Electronic Data Interchange Gateway) Offers e-filing services to trade cargo carriers and other trading partners. Additionally, it provides facilities like e-payment, online registration for IPR, document tracking status at Customs EDI online verification of DEPB/DES/EPCG licenses code status, PAN-based CHA data and links to various other key customs related websites and information. The platform also features a 24/7 helpdesk for trading partners.

These initiatives underline the government's dedication to expanding India's trade and fostering inclusive development, positioning India as a global economic powerhouse by 2047.

Conclusion:

In 2024, India's exports of goods and services are estimated to have reached record high of \$814 billion a 5.58% increase from 2023. This growth was driven by strong performances in both merchandise and service export. Export of engineering goods grew 9.73% from April to October 2024 compared to the same period in 2023. Export of electronics goods grew 23.69%, smartphones grew 36.85%, Solar PV grew significantly rising from \$1.03 billion in 2022-23 to \$2.02 billion in 2023-24. India's Export achievements are a testament to its evolving manufacturing capabilities, strategic policies and commitment to innovation. From dominating the global market in precious stones to making inroads in advanced sector like semiconductors and electrical components. India's export journey underscores its growing economic prowess. The government's forward-looking initiatives, such as the New Foreign Trade Policy, LI Schemes, and many others, plays pivotal role in enhancing India's competitiveness on the global stage. As India diversifies its export portfolio and strengthens its global presence, it is poised to achieve its vision of becoming a global economic.

References:

1. U. S. Rathod, S. A. Thomas, F. S. Maruti, P. Balasaheb Kadam, H. L. Jadhav and M. Jamal Bdair, "Reinforcement Learning for Sustainable Business Model Development in Social Entrepreneurship," *2024 Second International Conference Computational and Characterization Techniques in Engineering & Sciences (IC3TES)*, Lucknow, India, 2024, pp. 1-5, doi: 10.1109/IC3TES62412.2024.10877619.
2. Harale, G. D., Bhave, A. V., & Pawar, G. G. (2024). RECENT TRENDS IN COMMERCE, MANAGEMENT, ACCOUNTANCY AND BUSINESS ECONOMICS (1st ed., Vol. 1) [Online]. Rayat Shikshan Sanstha's, Abasaheb Marathe Arts and New Commerce, Science College, Rajapur Dist. Ratnagiri. https://www.researchgate.net/publication/379453020_Recent_Trends_in_Commerce_Management_Accountancy_and_Business_Economics
3. https://www.uni-heidelberg.de/md/sai/pol/team/rm_international_studies_review.pdf
4. <https://pib.gov.in?PressReleasePage.aspx?PRID=2039117>
5. <https://pib.gov.in/PressReleasePage.aspx?PRID=2057038>
6. <https://enquiry.icegate.gov.in/>
7. <https://www.uni-heidelberg.de>
8. Research unit Press Information Bureau Government of India.