

Exports Statistics between India - United Arab Emirates during Corona Plight

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Foreign trade is an integral element of economic growth irrespective of economic condition of the trading countries. India is an important market for UAE's exports and similarly UAE is one of the major destination for Indian agricultural and non agricultural goods. At present UAE is India's third largest trading partner. As UAE is an important market for India from the last few decades but sudden attack of Corona Virus has slow down the economy at global level. In this article author has tried to compare the export intensity of India with UAE before Corona crisis and during 2020. Due to unavailability of proper data for calculating the index for 2020 author has used recent data regarding exports of India to UAE.

Keywords: Export intensity, Corona virus, India-UAE trade.

UNITED ARAB EMIRATE (UAE) is the third largest global trade partner of India from the past few years. Prior to the hit of Corona crisis, India-UAE trade has been moving towards smooth path with the better trade figures. During 2017-18, India's total trade to UAE accounted at 9.27 per cent of the total exports of India. In 2018-19 it reached to 9.12 per cent and 9.20 per cent in 2019-20. But as far as 2020-21 is concerned trade has fell down to 5.5 per cent. Hence, it is crystal clear to observe offset of foreign trade due to Corona crisis on India's trade with UAE. Not only India-UAE trade but global trade has been severely affected by the latest global virus attack. In this study author has tried to find out export intensity of Indian goods to UAE.

Export Intensity is an index which is a numerator value while calculating trade intensity through trade intensity index i.e Trade

Intensity = $\frac{\text{Export Intensity}}{\text{Import Intensity}}$. Data for calculating export intensity has been taken place from ITC.

Export intensity reflects that how much intense exports exist between any two countries. If the value of the Index is greater than one, it indicates country A has more exports with country B than the country B has with rest of the world. If the value of the index is lower than one it suggests that country A and B have weak exports strength as compared to country B has with rest of the world. In this study export intensity has been calculated for the year 2017, 2018 and 2019. Data for the year 2020 is not available to calculate the same index. Idea of the study is to examine how much exports of India have declined due to Corona crisis. Table 1 indicating values of export intensity of India for United Arab Emirates for the year 2017, 2018 and 2019. As it is clear from the table all the values for the three consecutive years are greater than unity. Therefore, India's exports to UAE are intense than the exports of

UAE to the world. Due to insufficient data, we could not calculate export intensity for 2020. But we have extracted data from (Ministry of commerce and Industries) for major commodities in order to make a clear picture of downfall of India's exports particularly to UAE due global Corona virus hit.

Figure 1 has been derived from the values of export intensity, figure shows a declining trend or negative trend in export intensity of India for UAE. It is clear that during 2020 the figures went significantly down and if data would be available the graph line would have been more steeper at the end.

Export volume of Meat from India to UAE has been declined

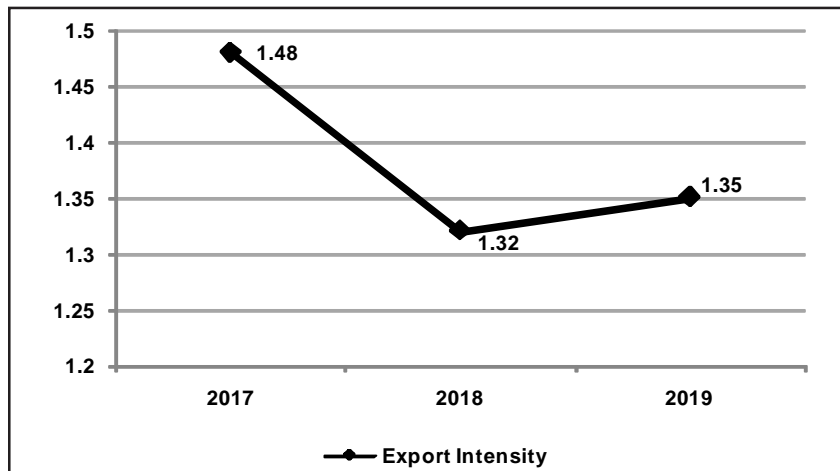
TABLE 1
EXPORT INTENSITY OF INDIA FOR UAE

Year	Export Intensity Values
2017	1.48
2018	1.32
2019	1.35

Source: Author's own calculation.

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FIGURE 1
EXPORT INTENSITY OF INDIA FOR UAE



from US\$149 million (2019-20) to US\$78.14 million (2020-21). Vegetables, is another important agriculture export item from India to UAE, and an acute fall has been observed in 2019-20 in this item. It was US\$117 million and in 2020-21 it became US\$93 million. Fruits and nuts also contracted to US\$121 million 2020-21 from US\$247 million in 2019-20. Value of tea coffee spices fell down to US\$131 million in 2020-21 from US\$140 million in 2019-2020. Cereals is another significant item of agriculture export basket of India to UAE, Export of cereals reduced from US\$351 million to US\$262 million. It is noticeable that volume of decline in non agriculture exports is much higher than agriculture goods. It is clear from the data that is extracted from Ministry of Commerce and Industries. Volume of oil and petroleum products has shrunk to US\$1,707 million in 2020-2021 from US\$5,732 million in 2019-20. It is such huge decline which is affected by Corona crisis. Moreover, supply of knitted clothing accessories also affected

by the attack of Corona virus. It fell down to US\$589 million from US\$1,030 million in 2019-20. Its exports have declined to 50 per cent in 2020. Export of Non- Knitted clothing accessories also attacked by Pandemic, it was accounted at US\$655 million in 2019-20 fell down to US\$399 million in 2020-21. Gems & Jewellery is the most important commodity of Indian exports basket to UAE, its exports has also been fell down from US\$9,433 million to US\$1,226 million. Besides that, export volume of electrical machineries experienced an acute fall from US\$2,694 million to US\$780 million. Figure defines that electrical machinery's exports have declined severely. Amount of export of ships and boats has also immensely declined from US\$1,307 million to US\$366 million. It is worthy to highlight total exports of India to UAE for 2019-20 accounted at US\$28,853 million and exports in 2020-21 to the same country accounted at US\$9,673 million only. It is visible to observe the drastic fall in the values of exports in the major commodities from

India to UAE particularly during 2020. After examining the data for the major export commodities to UAE from India, there has been a serious and extreme fall experienced in 2020 due to restriction on exports of India. Gems & Jewellery, Ships and Boats, Oil and Petroleum faced a big backward push. Besides that Knitted and non knitted clothing items also sunk much below. Now, India is trying to regain its growth path. For this, the government is taking measures. Recently, India has declared to produce containers for enhancing its export and to cope up with delays in exports (*The Hindu*, 23 February). At the end of 2020, India has started to export its agriculture, horticulture produce to 100 countries. It is fulfilling 32 per cent of need of rice at global level. Besides that India has also signed an agreement on defence and trade with Mauritius with an investment of US\$100 million (*The Hindu*, 22 February). Certain more steps can be taken place in this regard. Although, policy-makers cannot turned up the situation overnight. But it is expected to be on the same track soon with better trade figures.

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