



RESEARCH ARTICLE

ANALYSIS OF INDIA'S BILATERAL TRADE RELATIONSHIP WITH NETHERLANDS

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Abstract

India and the Netherlands maintain a strong and steadily expanding bilateral trade relationship. The Netherlands ranks among India's most significant trading partners in Europe, with bilateral trade growing consistently over the years. Owing to the presence of the Port of Rotterdam, the Netherlands functions as a key gateway for Indian exports to the European Union. India exports a diverse range of high-value goods to the Netherlands, including petroleum products, pharmaceuticals, organic chemicals, engineering goods, textiles, and agricultural commodities. India's imports from the Netherlands are relatively lower in comparison and mainly comprise machinery, chemicals, electrical equipment, and other high technology products. Consequently, India generally records a trade surplus in its trade with the Netherlands. In addition to trade, the Netherlands is one of the leading sources of foreign direct investment (FDI) into India, thereby strengthening industrial linkages and economic cooperation. Dutch firms play a vital role in sectors such as logistics, renewable energy, agriculture, and manufacturing in India. Bilateral trade relations are supported by stable diplomatic ties and cooperation under the broader India-European Union framework.

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Introduction:-

Ongoing negotiations on the India-EU Free Trade Agreement are expected to further enhance trade flows between the two countries. Overall, India-Netherlands trade relations are robust, mutually beneficial, and strategically important, particularly for India's access to European markets. The Netherlands is one of India's top trading partners in Europe and supports export growth in petroleum products, chemicals, machinery, and agricultural goods. Strong logistics infrastructure, advanced technology, and efficient supply-chain connectivity further strengthen India's integration into global trade networks. Against this background, the present study examines India's trade relationship with the Netherlands, focusing on export and import trends and estimating the simple and compound annual growth rates during the period from 2005 to 2024.

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Objectives of the Study:-

The present study is undertaken with the following objectives:

1. To examine the trends in India's merchandise trade performance with the Netherlands during the study period.
2. To estimate the simple annual growth rate and compound annual growth rate of India–Netherlands trade for the period 2005–2024.

Methodology:-

The study covers a period of twenty years from 2005 to 2024 and is based entirely on secondary data.

The required data were collected from the following sources:

1. Information on production structure and trade patterns of countries was obtained from the UNCTAD Handbook of Statistics and Trade Map.
2. Data relating to the direction of trade were sourced from the IMF's Direction of Trade Statistics Yearbook and the Key Indicators of Asia and Pacific Countries published by the United Nations

India's Major Exports:-

India's exports to the Netherlands recorded strong and sustained growth between 2005 and 2024, reflecting deepening trade ties and the Netherlands' role as a major entry point to Europe. In 2005–06, India's exports to the Netherlands amounted to about US\$ 2.4 billion, consisting mainly of textiles, chemicals, engineering goods, and agricultural products. Exports increased sharply to nearly US\$ 5.2 billion during 2007–08, driven by higher shipments of petroleum products and manufactured goods. Despite the global financial crisis, exports remained resilient at around US\$ 6.3 billion during 2008–09 and 2009–10, indicating stable trade volumes. In 2010–11, exports rose further to about US\$ 7.7 billion, supported by growth in refined petroleum products, chemicals, and machinery. By 2012–13, exports exceeded US\$ 10.5 billion, marking a significant expansion in trade value.

A temporary decline occurred during 2013–15 due to global economic slowdown and falling commodity prices, with exports declining to around US\$ 6–8 billion. Subsequently, exports recovered gradually, reaching approximately US\$ 8.8 billion in 2018–19. Exports declined again to about US\$ 6.4 billion in 2020–21 due to the COVID-19 pandemic. However, a strong post-pandemic recovery was observed, with exports rising sharply to nearly US\$ 12.5 billion in 2021–22 and surging to about US\$ 21.6 billion in 2022–23, largely due to increased petroleum exports and higher trade routed through Dutch ports. In 2023–24, exports reached around US\$ 22–23 billion, making the Netherlands one of India's top three global export destinations. Over the entire period, petroleum products, pharmaceuticals, organic chemicals, engineering goods, textiles, and agricultural products remained India's major export items.

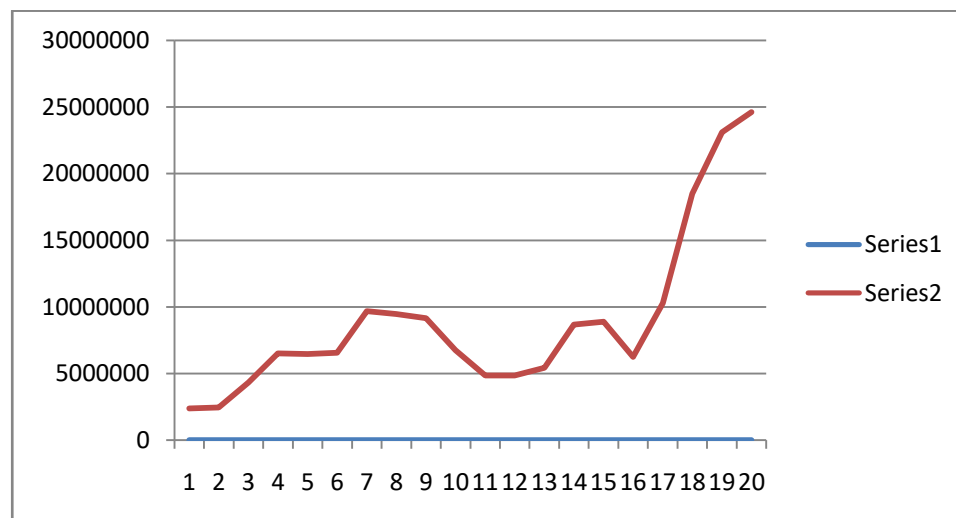


Figure:1 India's Exports to Netherlands
Table:1 India's Exports to Netherlands

Source :Trade map

YEAR	India exports to Netherlands
2005	23,96,432
2006	24,70,297
2007	43,43,000
2008	65,28,600
2009	64,64,920
2010	65,72,932
2011	96,93,191
2012	94,66,429
2013	91,70,038
2014	67,62,223
2015	48,73,383
2016	48,67,884
2017	54,32,400
2018	86,77,864
2019	89,06,975
2020	62,61,190
2021	1,02,84,461
2022	1,85,00,438
2023	2,31,08,248
2024	2,46,13,764

Analysis of India's Exports:-

India's exports to the Netherlands during 2005–2024 display a clear long-term upward trend with intermittent short-term fluctuations. Exports increased from US\$ 2.40 billion in 2005 to US\$ 24.61 billion in 2024, representing an overall growth of about 927 percent in simple terms. Periods of rapid expansion were occasionally interrupted by global economic shocks, including the financial crisis and the COVID-19 pandemic. Nevertheless, the compound annual growth rate (CAGR) of approximately 13 percent indicates strong and sustained long-run growth in India's exports to the Netherlands.

India's major imports:-

India's imports from the Netherlands during 2005–2024 show a gradual but consistent increase, reflecting growing industrial and technological cooperation between the two countries. Imports rose from around US\$ 1.5–2.0 billion in 2005–06 to about US\$ 9–10 billion by 2023–24. Major imported items included machinery, chemicals, electrical equipment, pharmaceutical intermediates, and precision instruments. Imports grew steadily until 2013, followed by a moderate decline during 2014–16 due to global economic uncertainties. From 2017 onwards, imports recovered strongly, reaching a peak in 2022 before moderating slightly in the subsequent years. Despite temporary setbacks, imports from the Netherlands increased at a slower pace than exports, resulting in a consistent trade surplus for India.

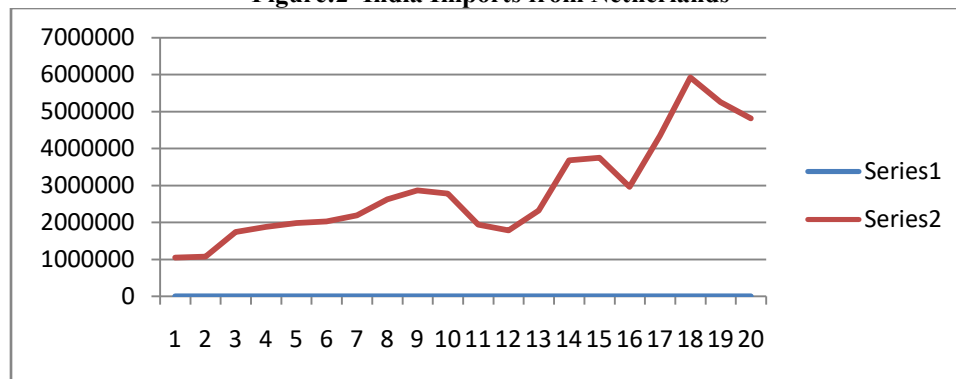
Table:2 India's Imports from Netherlands

YEAR	India's Imports from Netherlands (in Dollars)
2005	10,47,182
2006	10,77,148
2007	17,43,067
2008	18,81,000
2009	19,82,407
2010	20,22,700
2011	21,93,301
2012	26,21,722
2013	28,65,991

2014	27,82,977
2015	19,36,455
2016	17,81,292
2017	23,17,111
2018	36,81,038
2019	37,48,781
2020	29,61,580
2021	43,50,275
2022	59,22,272
2023	52,51,271
2024	48,17,520

Source :Trade map

Figure:2 India Imports from Netherlands



Analysis of India's Imports:-

India's imports from the Netherlands exhibit a long-term rising trend over the study period, increasing from about US\$ 1.05 million in 2005 to approximately US\$ 4.82 million in 2024. While temporary declines were observed during periods of global slowdown and the pandemic, the overall trend reflects resilience and sustained growth. The simple annual growth rate of imports is estimated at around 18.95 percent, while the compound annual growth rate stands at approximately 8.36 percent. These figures indicate steady long-term growth and underline the Netherlands' growing importance as a source of industrial and technology-intensive imports for India.

Conclusion:-

In conclusion, India's trade relationship with the Netherlands during 2005–2024 demonstrates a strong, resilient, and expanding bilateral economic partnership. Despite short-term disruptions caused by global economic crises and the COVID-19 pandemic, the long-term trend reveals sustained growth in both exports and imports. The Netherlands has emerged as one of India's most important trading partners in Europe and serves as a strategic gateway to the European Union. Rising trade volumes reflect greater diversification of traded goods, improved logistics, and deeper integration into global value chains. Overall, India–Netherlands trade relations are stable, mutually beneficial, and offer substantial scope for future expansion.

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