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RESEARCH ARTICLE

AN ANALYSIS OF INDIA'S TRADE INTENSITY INDEX WITH UAE

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Abstract

Today no country on the earth (planet) is completely independent on its own resources. Every one of the countries of the world are some way or another associated on others, in light of the fact that each country has its own normal assets, environment, geological circumstances and wellsprings of energy. Worldwide relationship is the principal element of the present worldwide economy. Exchanging commodities among India and UAE have existed since antiquated times. Indo-UAE exchange has filled massively as of late. Numerous factual exchange lists are accessible to gauge exchange between two nations. One of them is the International Trade. The International Tradeshow up in two structures, namely exports and imports list. A couple of studies have done to investigate complexities of the International trade connection between the two nations. Under such situation this paper examines the significant patterns of International Trade Relations.. An endeavor is made here to look at the India's Trade Intensity with UAE for the period from 2012 to 2021. The paper likewise proposes measures to enhance International trade relations among India and UAE. Time series information has been utilized to quantify Trade Intensity Index (TII). The discoveries of the review uncover that India's exchange with UAE is more extraordinary in examination with its other exchanging accomplices.

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Introduction:-

In the period of globalization worldwide exchange has turned into the foundation of any economy. India and United Arab Emirates the two economies have critical spots in worldwide economy. The Indian economy is the seventh biggest on the planet by ostensible GDP and third biggest by buying power equality. The United Arab Emirates has an open economy with a high Per capita Income. The UAE is perhaps of the most affluent country in the Middle East. The India and UAE have old civilization, social, Commerce and exchange attaches with one another which have now gone in to an extensive vital organization. India and UAE are continually endeavoring to further develop this relationship more grounded than previously. Exchange among India and UAE began when these two countries used to give a portion of the conventional things with one another. Lately India-UAE respective exchange has developed immensely. The things which are traded to UAE basically are Gems and Jewelry, designing products, meat, tea, natural products, vegetables, synthetic substances, flavors, materials and rice. The things which are imported to India primarily are unrefined and oil based commodities, valuable and semi-valuable stones, transport types of gear, gold and silver, pearls, gadgets products, metal minerals and metal piece. As for respective

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speculations, all out Foreign Direct Investment (FDI) from UAE to India is assessed to be US\$6.44 billion (January 2021) and stand one of the top 10th greatest financial backer in India. At the principal meeting of India-United Arab Emirates High Level Task Force on Investment (HLTFI) hung on February 18, 2013 in Abu Dhabi, Abu Dhabi Investment Authority (ADIA) declared its arrangements of putting US\$ 2 billion in Indian Infrastructure area.

Review Of Literature:-

Some relevant reviews of literature are as follows:-

K.A. Goyal & A. Vajid (2016) analyzed the bilateral trade between India and UAE in their study "An Analysis of Bilateral Trade between India and UAE". The authors examined the Indo- UAE trade data between 2011 to 2015. The study revealed that India and UAE are good trade partners of each other and having deep trade relations. India's major export items to UAE are minerals fuels, precious and semi-precious stones, gems & jewelry, clothes, cereals and mechanical appliances etc. While UAE's main export items to India are petroleum products and oil. The authors briefly highlighted the diplomatic relations, bilateral agreements and MoUs signed by both countries to further enhance the bilateral trade.

Pouria Mohajeri (2015) dissected the Trends of Trade among India and PGC (Persian Gulf Countries) in his paper "Patterns of India Trade with Persian Gulf Countries". The investigation in light of the development assessment of Indian exchange with PGCs. Persian Gulf Countries (Iraq, Iran, UAE, Saudi Arabia, Kuwait, Bahrain, Qatar and Oman) are the enormous providers of Energy on the planet market. Creator utilized the Trade Intensity Index to quantify the exchange power with PGCs and saw that the most noteworthy volume of Indian Trade among PGCs is with United Arab Emirates. Creator likewise examined the portion of PGCs in International Trade of India and investigated that the UAE's portion is the most noteworthy among any remaining PGCs Countries after UAE in PGC Group, the runner up is involved by Saudi Arabia. Creator found from the investigation that the greatest Indian Import from PGCs falls under item classification of HS-27 (mineral energizes, mineral oil, bituminous substances and so forth).

Das and Pradhan (2014) talked about India's exchange relationship with Gulf nations their review "India-Gulf Trade Relations". As per creators regardless of the exceptional development in exchange volume, the construction and example of India-Gulf exchange portrays an extremely differentiating picture. To comprehend exchange power between the two locales they applied Trade Intensity Index and observed that India's commodity power is over one for UAE, Saudi Arabia, Iran, Kuwait, and Oman. For other Gulf nations (Bahrain and Qatar) the commodity power is fluctuating. Also, India is bringing in more modest volumes from nations, for example, Bahrain and Qatar which is reflected in the low Import Intensity Index.

Sundar and Ambrose (2014) analyzed the Indo-Japan exchange their review "A Brief Analysis of India-Japan Bilateral Trade: A Trade Intensity Approach". The creators investigated the exchange power among India and Japan with the assistance of Kojima's exchange force file. The review uncovered that India has not expanded its product bushel throughout the years to Japan. During the review (2001-2011) period it has been found that Japan's imports from India have declined significantly more than its products to India. The creators reasoned that the general exchange force whether its product of import, has declined over the time of study.

Sayeeda Bano (2010), in her review "India-New Zealand Endlessly exchange Potential: Recent Experience And Future Opportunities" investigates the development of exchange connection and exchange potential among India and New Zealand. The creator investigated the exchange with the Kojima lists of exchange forces, uncovered near benefits, intra industry endlessly exchange expected files. Creator inferred that two-sided exchange among India and New Zealand is at extremely low level contrasted with the worldwide exchange profiles of the two nations. Finally creator proposed need regions for acknowledging undiscovered exchange and speculation possible between the two nations.

Objectives:-

Objectives of this research paper are

1. To analyze the extent of Trade intensity index between India and United Arab Emirates
2. To suggest measures to enhance trade intensity between the two countries.

Indo-UAE Trade

Bilateral trade between India and UAE for 2012 reached US\$ 35.78 billion and fell down 25.45 in 2021 due to global pandemic. Trade between the two countries, excluding oil, stood at \$36 bn. India accounts for about 10 percent of the UAE's foreign trade. The country, which has been among the top three UAE trading partners in the past few years – is currently the largest partner. According to UAE's Ministry of Economy, about 9 percent of the UAE's total exports go to India, while 8 percent of the UAE's imports come from India.

Table 1:- India Trade with UAE (US Billion).

YEAR	India Export to UAE	India Total Exports	Percentage of exports to Total Exports	Annual Growth rate	India Import to UAE	India Total Imports	Percentage of exports to Total Imports	Annual Growth rate
2012	35.78	289.565	12.36	-4%	37.8	488.976	7.73	6%
2013	33.98	336.611	10.09	-5%	32.96	466.046	7.07	-15%
2014	32.92	317.545	10.37	-3%	27.29	459.369	5.94	-21%
2015	29.99	264.381	11.34	-10%	20.28	390.745	5.19	-35%
2016	30.04	260.327	11.54	0%	19.24	356.705	5.39	-5%
2017	28.64	294.364	9.73	-5%	23.12	444.052	5.21	17%
2018	28.54	322.492	8.85	0%	26.93	507.616	5.31	14%
2019	29.54	323.251	9.14	3%	30.31	478.884	6.33	11%
2020	17.95	275.489	6.52	-65%	23.9	367.98	6.49	-27%
2021	25.45	394.814	6.45	29%	43.07	570.402	7.55	45%

According to Table 1 it's clearly revealing that in past 10 years from 2012 to 2021 India's Export to UAE has reached USD 36 billion in 2012 from USD 0.29 billion in 1988. India's Import to UAE has reached USD 43 billion in 2021 from USD 19.34 billion in 2016.

When compared the bilateral trade India with UAE to total exports of India, the 11.54 percentage highest in 2016 and 6.45 the lowest percentage in 2021 the decline was due to pandemic. When compared the bilateral trade India with UAE to total imports of India, the 7.55 percentage highest in 2021 and 5.21 the lowest percentage in 2015.

Trade Intensity Between India And Uae

With the help of trend analysis of growth rates one cannot get the full idea about intensity of trade between the two countries. In order to know the trade intensity between two countries and to see the trajectory of trade over the years, Kojima's (1964) Trade Intensity Index can be used. It helps to measure bilateral trade intensity between two countries and can identify how intensively the countries are trading with each other. Trade intensity index is defined as the share of one country's trade with another country, divided by the other country's share of global trade. The value of index can be 0 to 100. If the value comes 0, it implies no trade relationship between partner countries. On the other hand, if the value of import intensity index is more (or less) than 100, it indicates that country 'i' is importing more (or less) from country 'j' than might be expected from that country's share in total world trade. In export too, if the value is 0 or near to 0, it implies export link between the set of countries is negligible and if the value is near to 100 that indicates that performance is significant and if it exceeds 100 it indicates that country 'i' is exporting more to country 'j' than might be expected from that country's share in world trade.

Export intensity Index (EII) of India with UAE = $(XIG / XI) / ((MG / (Mw - MI))$

Where, XIG = India's Export to the UAE XI = India's total Export

MG = Total Import of the UAE

Mw = Total World imports

MI = Total Imports of India.

Import intensity Index (III) of India with UAE = $(MIG / MI) / ((XG / (Xw - XI))$

Where, MIG = Import of India from UAE

MI = Total Import of India

XG = Total Export of the UAE Xw = Total World Export

XI = Total Export of India.

Table 2:- India's Trade with UAE and World Total Trade (US Billion).

YE AR	World Imports	World Exports	UAE Export	UAE import	India total Export	India Total Import	India Export to UAE	India Import from UAE
	US\$ Billion	B US\$ Billion	US\$ Billion	US\$ Billion	US\$ Billion	US\$ Billion	US\$ Billion	US\$ Billion
2012	18522	18399.4	350.12	261.02	289.5647694	488.976378	35.78	37.8
2013	18867	18858.2	371.22	294.96	336.6113888	466.045567	33.98	32.96
2014	18928	18858.9	343.04	298.61	317.5446423	459.369464	32.92	27.29
2015	16567	16412.2	300.48	287.02	264.3810036	390.744731	29.99	20.28
2016	16074	15917.7	295.05	270.78	260.3269123	356.704792	30.04	19.24
2017	17793	17561.8	313.55	273.71	294.3644902	444.052354	28.64	23.12
2018	19672	19326	321.01	261.51	322.4920999	507.615733	28.54	26.93
2019	19107	18752.8	315.94	267.94	323.2507264	478.883729	29.54	30.31
2020	17719	17486.5	335.30	246.96	275.4887449	367.980363	17.95	23.9
2021	22211	21953.1	240.94	210.75	394.8136733	570.402004	25.45	43.07

Table 3:- Trade Intensity Index.

YEAR	India Export Intensity Index	India Import Intensity Index
2012	8.536782	3.998512
2013	6.297743	3.52864
2014	6.411861	3.210955
2015	6.393071	2.789176
2016	6.698053	2.862368
2017	6.167041	2.867335
2018	6.48535	3.140653
2019	6.353262	3.692002
2020	4.577908	3.333886
2021	6.619304	6.756152

The Table investigates the intensity of trade between India and UAE. The values of Export Intensity Index (EII) and Import Intensity Index (III) were calculated for the time period 2012 to 2021 which shows that in recent years India's trade export and import intensity with UAE has been declined slightly, however it's still above unity which indicates the higher trade intensity between India and UAE. It can be analyzed from Table that India's Export Intensity with UAE is higher than its import intensity with UAE. India's Export intensity with UAE was 8.53 in 2012, which is now in 2021 calculated at 6.61. On the other hand India's Import Intensity with UAE was 4.57 in 2020. Import intensity with UAE was 3.99 in 2012, which is now in 2021 calculated at 6.75. On the other hand India's Import Intensity with UAE was 2.7 lowest in 2020.

Conclusion:-

After examination of exchange power among India and UAE it very well may be presumed that India's exchange with UAE is in great stream. In the review period from 2012 to 2021 India's exchange power both commodity export and import never went underneath solidarity that suggests the two nations have great exchange association correlation with worldwide exchange. Anyway it's issue of worry that lately, the two India's commodity export and

import power with UAE has been vertically and descending patterns. This decline is because of headwind in worldwide trade and some approach measures at the two sides to further develop their import/export imbalance.

Way To Forward

Ideas to improve exchange force among India and UAE are :

There are still a few immature regions in Indo-UAE exchange that should be center like information based businesses, the travel industry, telecom and so forth.

Numerous two-sided arrangements and MoUs have been endorsed among India and UAE in different areas like Double expense aversion, BIPA, Agriculture, banking and so on yet for eliminating the exchange boundaries and different obstacles new approach drive and understanding are required.

Exchange fairs and exchange display can likewise upgrade the exchange among India and UAE. So government ought to coordinate and organize more exchange fairs and displays both the nations to give great stage to the two nations brokers where they can meet and investigate their items to one another.

Great comprehension of dialects and culture of one another is exceptionally important to advance exchange and venture between the two India and UAE. English is the all inclusive and normal language for both the countries. It is essential for the dealers of both country's to have great control over the other's nearby language. Government ought to lay out preparing and helping focus at the two sides to advance language and culture. It can assist with understanding business climate effectively at the two sides.

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