

# FOREIGN TRADE ANALYSIS (EXTERNAL SECTOR)

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# Service Trade

Service trade refers to the exchange of services between countries, including business, professional, and technical services. The service sector has become an increasingly important component of global trade, accounting for approximately 25% of total global trade.



# Major Service Trade Sectors

## Financial Services

Banking, insurance, and investment services are major contributors to global service trade.

## Travel and Tourism

This sector covers services provided to international travelers, including accommodation, food, and recreational activities.

## Information and Communication Technology

This sector encompasses services related to software development, telecommunications, data processing, and IT consulting.



## Top Importers and Exporters of Services

Top Exporters	Top Importers
United States	United States
United Kingdom	China
Germany	Germany
France	United Kingdom
China	France



# Global Trade :-

Global trade, also known as international trade, refers to the exchange of goods, services, and capital across international borders. This trade allows countries to expand their markets and access goods and services that might not be available domestically. It plays a crucial role in the global economy by fostering economic interdependence and contributing to economic growth and development.



## Economic Growth :-

Drives economic growth by expanding markets and creating jobs.



## Global Supply Chain :-

Involve multiple countries in the production and assembly of goods.



## World Trade Organization (WTO) :-

Regulates and facilitates international trade.

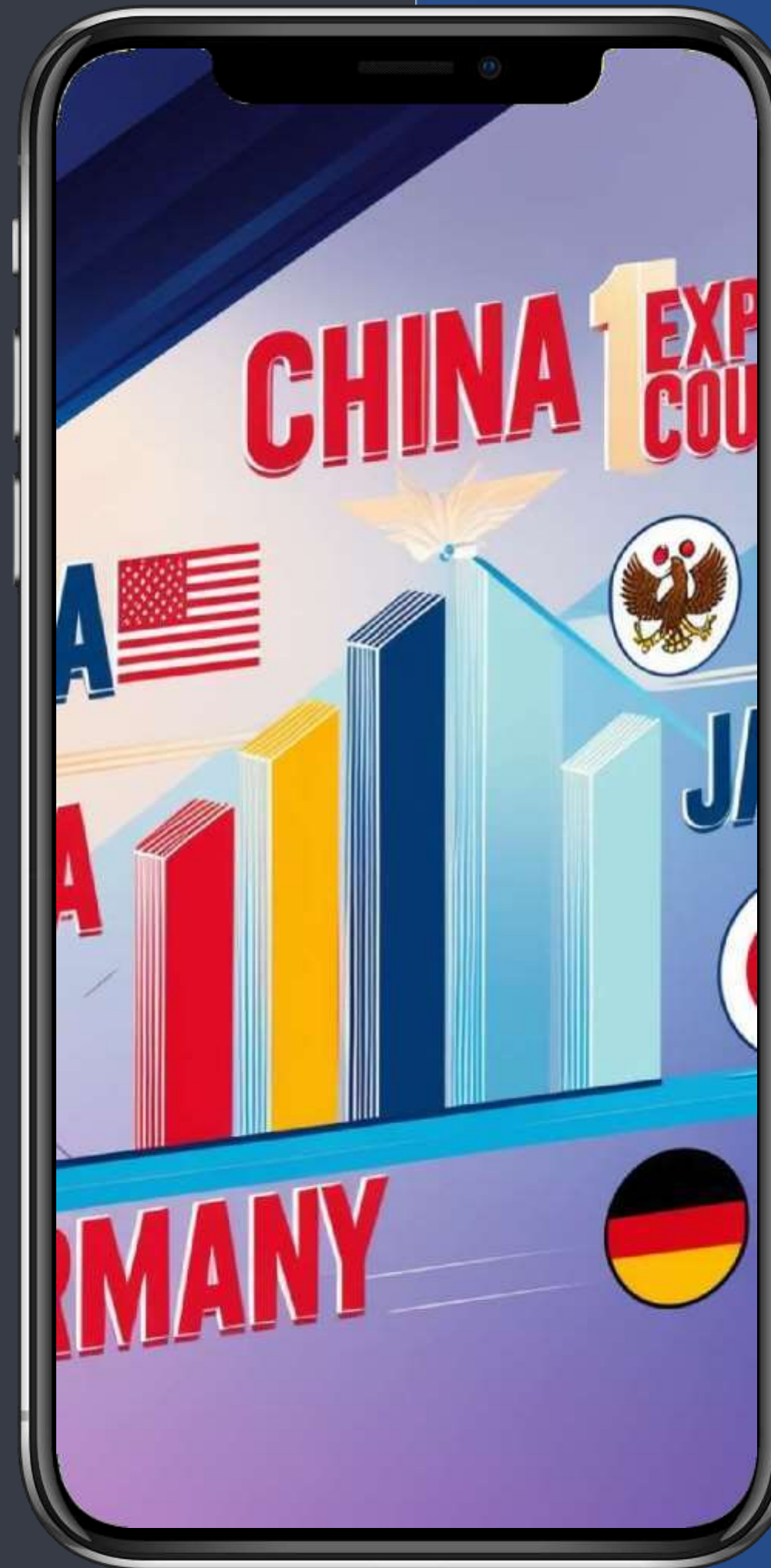
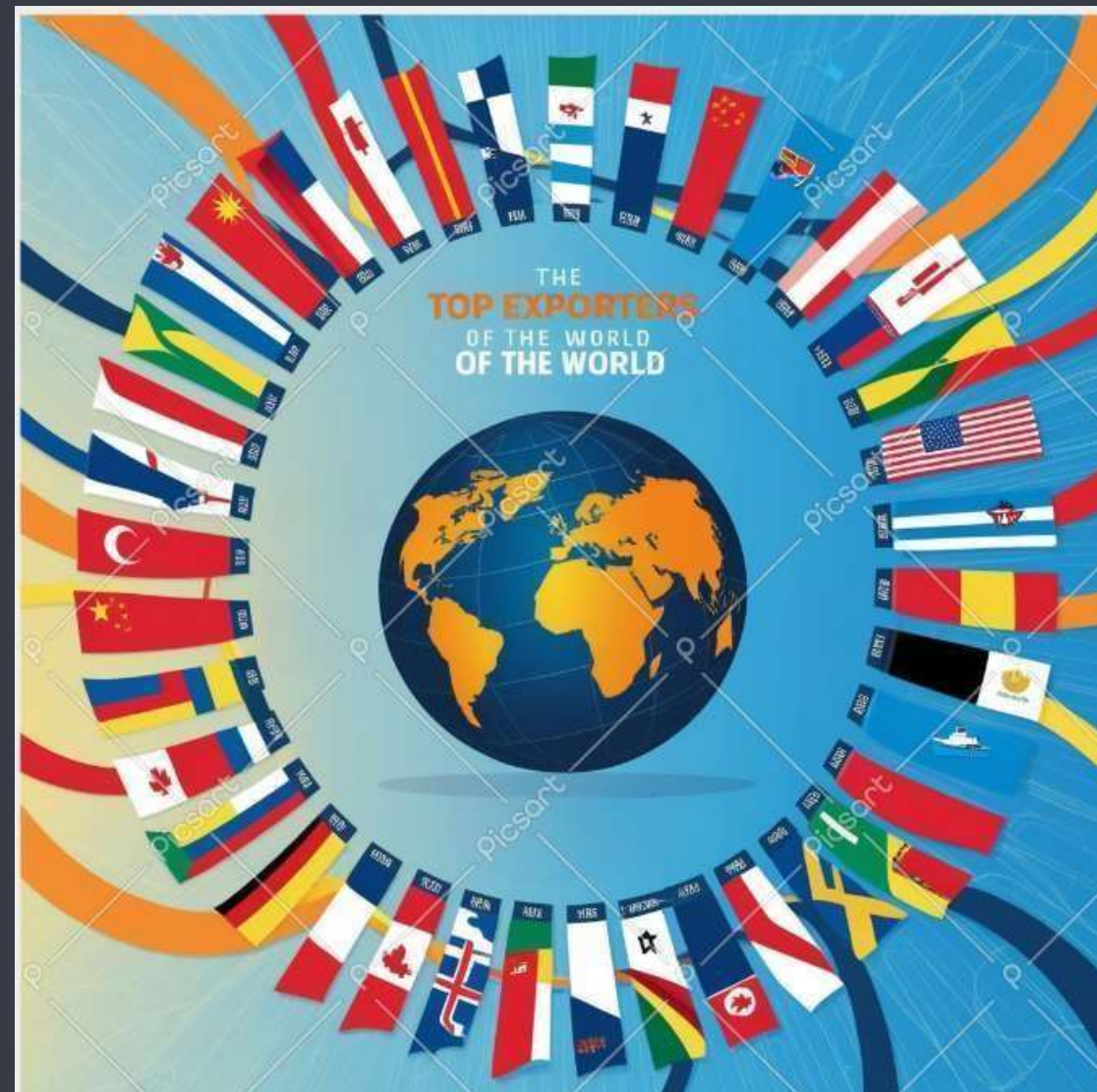


## Impact on Developing Countries :-

Can promote growth but also lead to economic dependence.

# Country wise :-

Top exporters and their  
main export :-



## 1. USA :-

Main Exports :- Aircraft, machinery, vehicles, medical equipment, pharmaceuticals.

Export Value (2023) :- \$1.8 trillion

## 2. China :-

Main Exports :-

Electronics, machinery, clothing, textiles.

Export Value (2023) :- \$3.3 trillion

## 3. Germany :-

Main Exports :- Vehicles, machinery, chemicals, electronic products.

Export Value (2023) :- \$1.5 trillion

## 4. Japan :-

Main Exports :- Vehicles, machinery, electronics, chemical products.

Export Value (2023) :- \$700 billion



## Top Importers and Their Main Imports :-

### 1. United States :-

**Main Imports :-** Electronics, machinery, vehicles, pharmaceuticals, crude oil.

**Import Value (2023):** \$2.5 trillion

### 2. China :-

**Main Imports :-** Crude oil, integrated circuits, iron ore, plastics.

**Import Value (2023) :-** \$2.1 trillion

### 3. Germany :-

**Main Imports :-** Machinery, electronics, vehicles, oil, and gas.

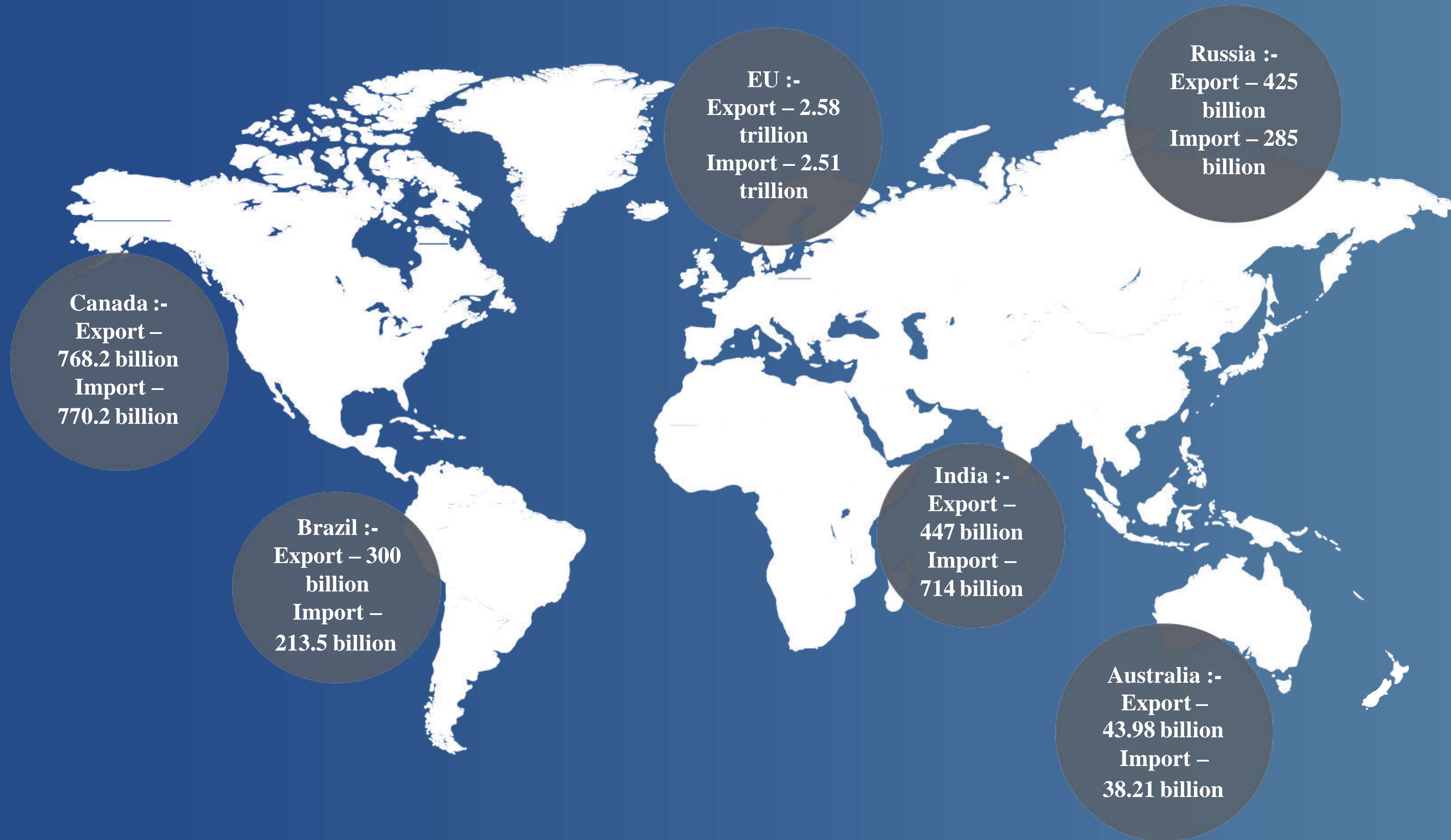
**Import Value (2023) :-** \$1.3 trillion

### 4. India :-

**Main Imports:** Crude oil, electronics, machinery.

**Import Value (2023) :-** \$600 billion







# Commodity wise Imports :-

## Definition and Importance :-

- **Commodity-wise Import Analysis:** Evaluates the types and volumes of goods imported into a country.
- **Significance:** Essential for assessing trade imbalances, understanding economic dependencies, and making informed policy decisions.



## Key Components :-

- **Commodity Classification:** Categorizes imports using systems like Harmonized System (HS) codes.
- **Data Collection:** Uses sources such as government reports, trade databases, and customs data to gather import statistics.

## Purpose Of Analysis :-

- **Trade Balance Assessment:** Identifies which commodities contribute to trade deficits or surpluses.
- **Economic Impact:** Highlights the effects on domestic industries and overall economic health.



# Commodity wise exports

Different export commodity from India



Being the 4th largest exporter of leather, India exported leather and leather products of 19 billion in 2023-24.

Leather And Its Products

Petroleum Products

In 2022, India exported \$2.3M in Crude Petroleum. The main destinations of India exports on Crude Petroleum were South Korea (\$2.19M), El Salvador (\$86.8k)



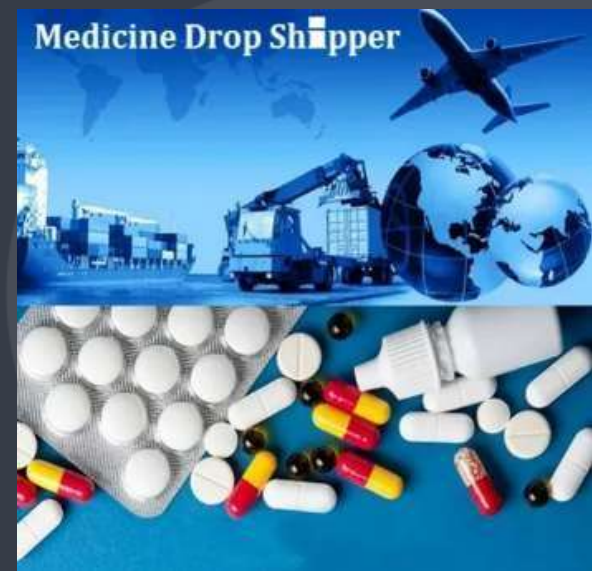
India is also ranked fourth in colored gems stones with a 5.1% share of the total world's exports. The overall gross exports of gems & jewelry stood at US\$ 37.46 billion in FY23.

Gems And Jewellery.

These are some major commodity goods whose export recorded growth in recent years

Automobiles, Equipment Parts, and Electronic Goods.

In financial year 2023, India's automotive parts exports were valued at around 20.1 billion U.S. dollars. This was a slight increase compared to the previous year



Formulations and Biologics constituted the major portion of India's exports with a share of 73.31% followed by drug intermediates and bulk drugs.


Pharmaceutic al Products

Cereals and Wheat

India is the largest producer as well as the largest exporter of cereal products in the world. India's export of cereals stood at 10,984.27USD Millions during the year 2023-24.







# INTERNATIONAL TRADE

## India's Foreign Trade Policy (FTP) 2023

The Indian government passed the FTP 2023 on March 31, 2023, which aims to increase India's exports to \$2 trillion by 2030. The policy focuses on emerging areas of export, such as pharmaceuticals, high-tech manufacturing, and e-commerce

**Foreign trade** is the exchange of goods and services between countries. It involves importing products from other nations and exporting products to them.



# LATEST DEVELOPMENT IN FOREIGN TRADE



## Global Trade Dynamics

The global energy crisis, exacerbated by the Russia-Ukraine war, has led to increased energy prices, impacting trade balances and industrial production



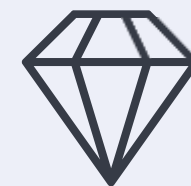
## Regional Trade Agreements

The United States is leading efforts to create a new economic framework in the Indo-Pacific region to counter China's



## Digital Trade

Online shopping has surged, driving demand for cross-border logistics and payment solutions.

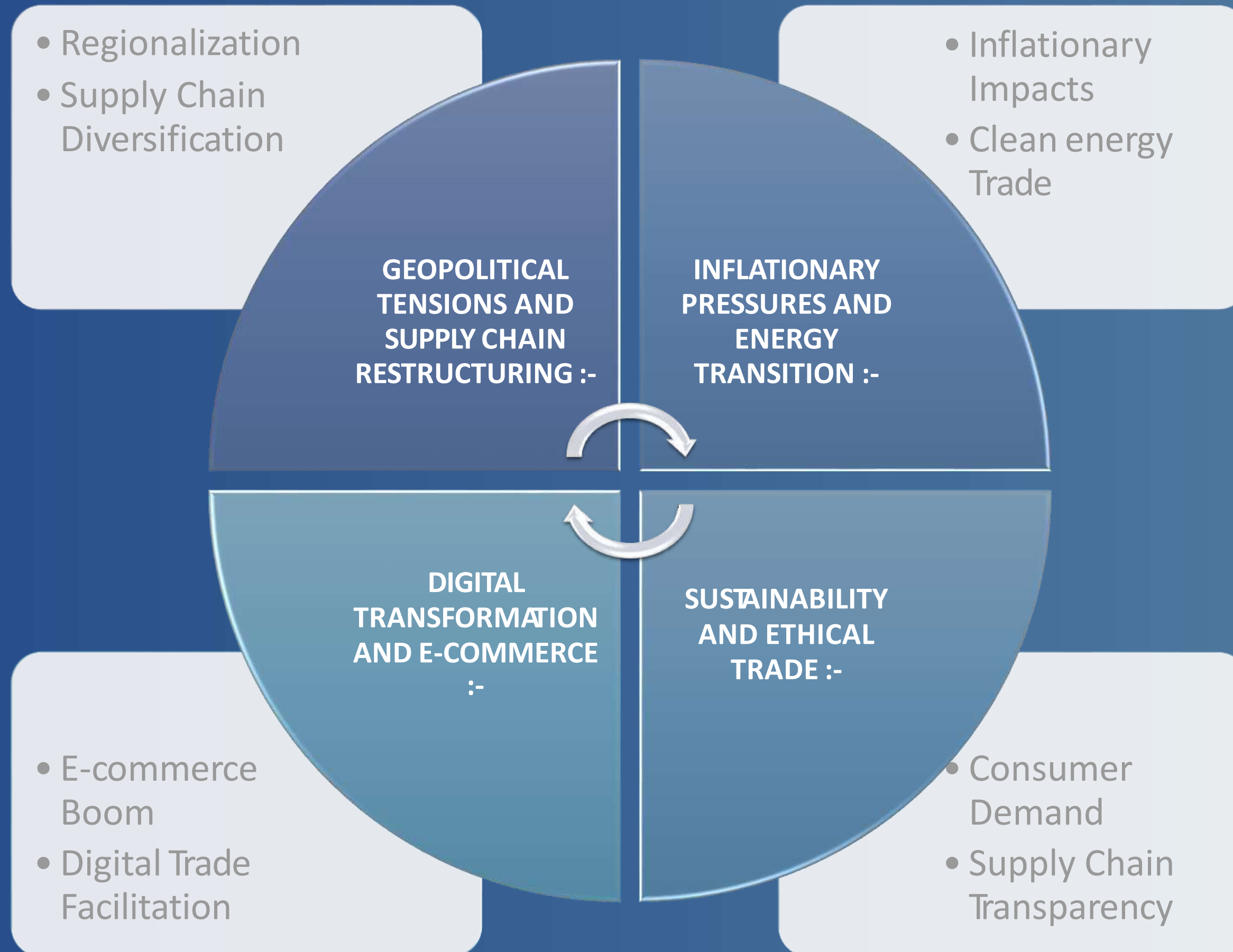


## Sustainability and Green Trade

Some countries are considering implementing carbon border taxes to encourage low-carbon production.



# FUTURE TRENDS IN FOREIGN TRADE



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# Conclusion

The global services trade landscape is evolving rapidly, influenced by technological advancements, policy changes, and shifting economic conditions. Emerging markets are increasingly becoming major players in the services trade, leveraging their growing digital capabilities and economic expansion. At the same time, there is a rising emphasis on sustainability, with green finance and environmentally-friendly transport services gaining traction. As digitalization continues to reshape service sectors, countries will need to adapt to new opportunities and challenges to maintain competitiveness in the global market. Emphasizing innovation, sustainability, and strategic partnerships will be key to leveraging the potential of the services trade in the future.



**Thank You**

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