

# India's Export Performance with BRICS Nations

By Anand Shankar Paswan  
Junior Research Scholar  
Faculty of Commerce  
Banaras Hindu university  
Varanasi, U.P-221005, India

## Abstract

The world economy has changed a lot over the past 50 years. Over the next 50, the changes could be at least as dramatic. A major theme of this work has been that, over the next few decades, the growth generated by the large developing countries, particularly the BRICS (Brazil, Russia, India and China and South Africa) could become a much larger force in the world economy than it is now it creates a strong counterweight to the already existing world powers G6 (US, Japan, UK, Germany, France and Italy)<sup>1</sup>. This results from the reallocation of global economic activities, global consumption to emerging and developing countries and hence import/export destination shifts. Even though the G6 remains among the most important trade partners for BRICS, their total share in BRICS's trade is decreasing. The aim of the paper is to examine India's trade with BRICS nation in the recent years. The aim of the paper is to identify top five products groups that are involved in BRICS's trade relations development and show possible diversions.

**Keywords** –BRICS, Intra-export, International trade, Trade diversion, CARG

## Introduction

BRICS Nations (Brazil, Russia, India, China and South Africa) are the emerging global economy in the world and has started to leave its impact on the current world economy. Rapid improvement in BRICS operation is proof of it. As of 2015, the five BRICS countries represent over 3.6 billion people, or about 41% of the world population. The five nations have a combined nominal GDP of US\$16.6 trillion (2015), equivalent to approximately 22% of the gross world product (2015), combined GDP (PPP) of around US\$37 trillion and an estimated US\$4 trillion in combined foreign reserves and the World Bank expects BRICS growth to pick up to 5.3% in 2017. Export is one of the key element in speedy economy growth and India's Share in World Merchandise Exports was 1.6% in world export in the year 2015. India biggest partner in export is U.S.A with about 42,212.27 million dollar in the year 2016-17. Although when it comes to overall trading with other countries India's biggest trade partner is China with aggregate trade of 71,452.75 million dollars (export 10,171.18 and import 61,281.57) as on year 2016-17. The share of BRICS in the international trade has increased significantly over the last two decades. In 1990 BRICS accounted for only 3% of global trade. This share doubled within a century. In 2011, BRICS accounted for 19% of global exports and 16% of global imports of goods and services. The present study is to identify top five commodities of India's export to remaining BRICS nations and to evaluate the trends of intra BRICS' nations

## OBJECTIVE OF STUDY

1. To ascertain India's export with BRICS nations from year 2012-2017
2. To evaluate and elucidate composition and direction of India's exports among BRICS nations.
3. To provide suggestive measures for enhancing India's export in BRICS Nations

## Review of literature

BRICS economies have already started showing its impact on strengthening their position in global world for a decade now and have been justifying their group existence. BRICS have been the targeted Nations for international trade in the recent years. A number of researches have been focusing on BRICS' intra and extra trade analysis. A study on BRICS's by Jim O Neill (2003) illustrate if things go right, in less than 40 years, the BRICs economies together could be larger than the G6 in US dollar terms. By 2025 they could account for over half the size of the G6. Of the current G6, only the US and Japan may be among the six largest economies in US dollar terms in 2050. The BRICs' real exchange rates could appreciate by up to 300% over the next 50 years (an average of 2.5% a year). The key assumption underlying our projections is that the BRICs maintain policies and develop institutions that are supportive of growth. Each of the BRICs faces significant challenges in keeping development on track. This means that there is a good chance that our projections are not met, either through bad policy or bad luck by Dominic Wilson Roopa Purushothaman 1st October 2003

## Research Methodology

The research methodology which is being used to analysis the India's intra BRICS nations export in the last five years in mainly based on the secondary data that has been taken from "Ministry of Commerce and World trade organization (WTO). Data of 10 years is taken for trend analysis & 5 Years were taken for direction. The tool which in used for data analysis is compound annual growth rate (CAGR) for computing India's export with BRICS nations of top five commodities from 2012-13 to 2016-17. These data are compiled in the form of table, line graph, area charts etc.

Table-1

Country: BRAZIL

Values in US\$ Million

Rank*	HS CODE	COMMODITY	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CAGR
1	9	COFFEE, TEA, MATE AND SPICES.	16.41	15.13	17.45	14.77	14.96	-2%
2	7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	4.54	5.06	5.5	6.57	7.09	12%
3	13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS.	15.77	15.38	11.24	8.08	6.17	-21%
4	12	OIL SEEDS AND OLEA. FRUITS; MISC. GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER.	7.04	7.4	7.7	3.73	5	-8%
5	5	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED.	0.04	0.71	2.15	2.13	3.04	195%

Source: Ministry of Commerce (INDIA)

\*Rank is assigned as per commodities' top share in 2016-17

Table 1 is showing India's export with Brazil of top five commodities. In the year 2016-17 Coffee, tea, mate and spices where the highest commodity which were being export to Brazil with US\$ 14.96 million. At the fifth spot product related to animal origin were being exported by India to Brazil. Even though Coffee, tea has been exported more in quantity terms but there is a huge decline in its aggregate demand by Brazil as compare to 2012-13 which was US\$ 16.41 million i.e., overall 2% decrease in CAGR of

Coffee, tea supply to Brazil. On the other hand, product related to animal origin shows minor demand of just US\$ 0.04 in the year 2012-13 but its export has been significantly increased to US\$ 3.04 million in the year 2016-17 which show 195% CAGR growth as compare to 2012-13.

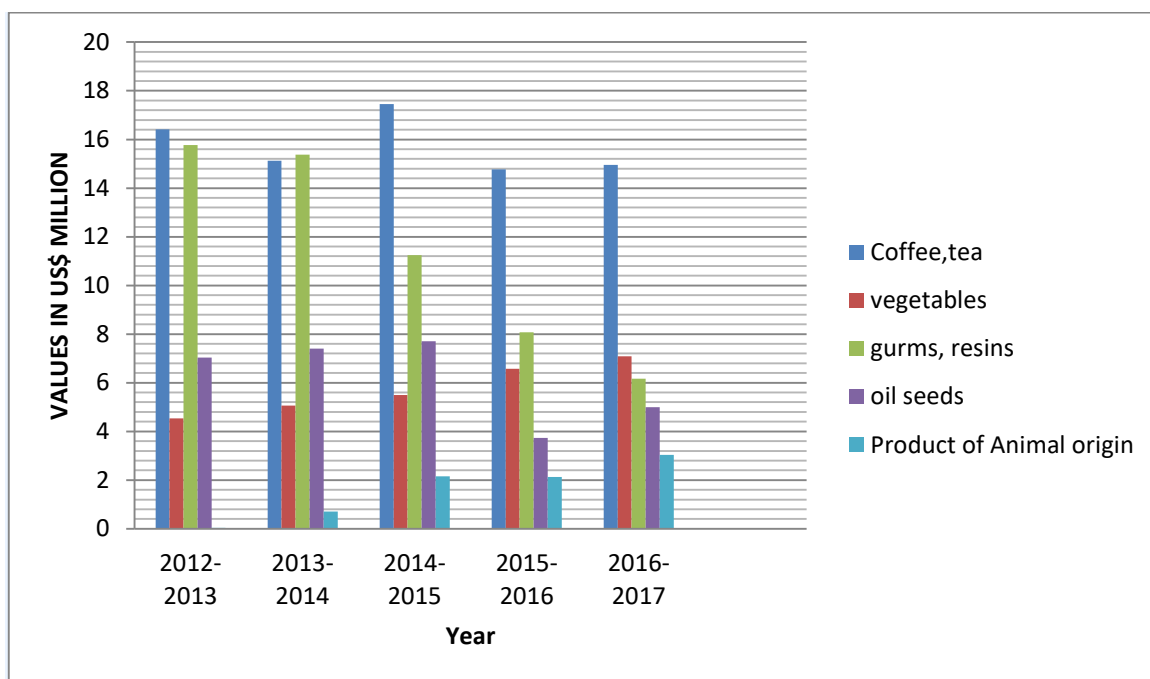


Figure-1: Export trend of India with BRAZIL

Table- 2

India’s Export with Russia

Values in US\$ Million

Rank*	HS CODE	COMMODITY	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CAGR
1	9	COFFEE, TEA, MATE AND SPICES.	139.03	117.93	109.68	115.97	124.45	-3%
2	3	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTABRATES.	28.39	42.93	63.47	31.83	58.02	20%
3	8	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	32.63	44.72	23.74	23.68	44.65	8%
4	10	CEREALS.	26.83	23.92	33.83	25.74	32.29	5%
5	7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	14.12	21.43	21.57	20.66	20.3	10%

Source: Ministry of Commerce (INDIA)

\*Rank is assigned as per commodities’ top share in 2016-17

Table 2 is showing India’s export with Russia of top five commodities. In the year 2016-17 coffee, tea, mate and spices has been at the top level. India is having a comparative advantage in tea and coffee from the recent past. Its share with BRICS nations too has been enhanced with the entry of South Africa in the year 2010. In 2016-17 Coffee, tea export were US\$ 124.45 million but its export were also been hampered in the recent past in 2012-13 its aggregate export was US\$ 139.03 million and decreased dramatically in subsequent year in 2013-2014 and 2014-15 with aggregate export of US\$ 117.93 million and 109.68 million respectively. Whereas

there was positive up gradation in last two years but overall its shows a negative CAGR with -3% export of coffee, tea. On the other side Fish and crustaceans, mollusks and other aquatic invertebrates shows overall highest enhancement in CAGR with 20% in 2012-13 its export were just US\$ 28.39 million and it rose up to US\$ 58.02 million in 2016-17. Thus Coffee, tea supply may have highest quantity terms but its aggregate demand in falling that may be due to they and stated producing by its own in their country or may be due to other reasons. India has to check the reasons why it is declining in the recent past and how it may be pull on track

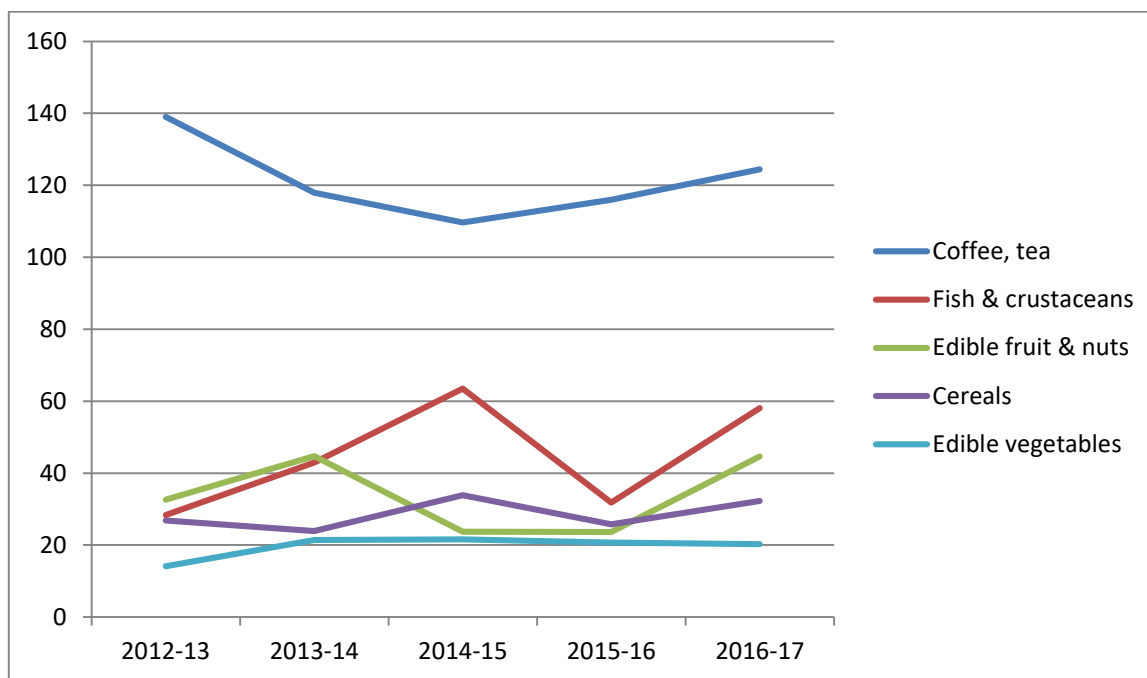


Table-3

**India's Export with China Values in US\$ Million**

Rank*	HS CODE	COMMODITY	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CAGR
1	3	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTABRATES.	170.52	188.93	118.3	145.18	131.34	-6%
2	9	COFFEE, TEA, MATE AND SPICES.	39.54	31.17	18.63	21.99	25.99	-10%
3	5	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED.	49.76	56.49	38.22	25.49	17.64	-23%
4	8	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	6.6	6.41	6.83	4.87	15.94	25%
5	7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.	1.39	1.58	1.14	1.97	3.43	25%

Source: Ministry of Commerce (INDIA)

\*Rank is assigned as per commodities' top share in 2016-17

The above table shows India's export to China from 2012-13 to 2016-17 of top five commodities. China is an important member of BRICS nations especially when it comes to intra BRICS nations trading above table is an example of it. India's biggest trading partner is China with aggregate trade of US\$ 71,452.75 million (export 10,171.18 and import 61,281.57) as on year 2016-17 and then USA is on the second spot with aggregate trade of US\$ 64,519.71 million (export 42,212.27 and import 22,307.44 ). Fish and crustaceans, mollusks and other aquatic invertebrates has been exported highest to China which was US\$ 131.34 million in 2016-17

and at the fifth rank is edible vegetables & certain roots and tubers were being exported with US\$ 3.43 million in 2016-17. Things which are pumping up is that there is a huge fluctuation in CAGR in all five commodity whether it is fish & crustaceans or edible vegetables. Either their demand has increased significantly as it is in case of edible fruit & nuts or in case of edible vegetables CAGR shows an incredible change in its demand in 2012-13 edible fruit and nuts supply was just US\$ 6.6 million its rose incredibly to US\$ 15.94 million in 2016-17 i.e. an enhancement of 25% CAGR. On the other side product related to animal origins shows sufficient demand in 2012-13 with aggregate export of US\$ 49.76 million but its demand started to decline from 2014-15 and onwards in 2016-17 its export just remain to US\$ 17.64 million which is very low as compare to 2012-13 and shows a negative CAGR of -23% at the end. So India has to look on its export policies towards China so that it can have positive impact in upcoming years and assist in overall development of Indian economy.

**Table -4****India's Export with South Africa****Values in US\$ Million**

Rank*	HS code	Commodity	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CAGR
1	10	Cereals.	182.16	175.85	146.53	99.8	101.58	-14%
2	9	Coffee, tea, mate and spices.	25.35	22.62	24.8	22.9	25.2	0%
3	3	Fish and crustaceans, mollusks and other aquatic invertebrates.	34.61	51.48	42.49	36.14	15.36	-18%
4	7	Edible vegetables and certain roots and tubers.	4.61	4.43	5.35	4.54	6.15	7%
5	8	Edible fruit and nuts; peel or citrus fruit or melons.	2.19	2.85	3.59	4.91	3.14	9%

Source: Ministry of Commerce (INDIA)

\*Rank is assigned as per commodities' top share in 2016-17

Table 4 shows the relationship of India with South Africa in export term of top five commodities. Since South Africa is the new member of BRICS nations which join them in 2010 and then onwards India is trying to improve its international trade with South Africa and it is showing positive outcomes. While we talk about India's trade with South Africa in last five years its shows a mixed response. The highest product which were being exported to South Africa is Cereals with an overall export of US\$ 182.16 million in 2012-13 but it fell down to US\$ 101.58 million in 2016-17 which shows negative CAGR of -14%. Whereas edible fruits and nuts ; peel or citrus fruit or melons shows US\$ 2.19 million in 2012-13 but its export has been increased since then in 2016-17 its export were US\$ 3.14 million i.e. 9% CAGR. We can say that there is a great scope of better export to South Africa in near future.

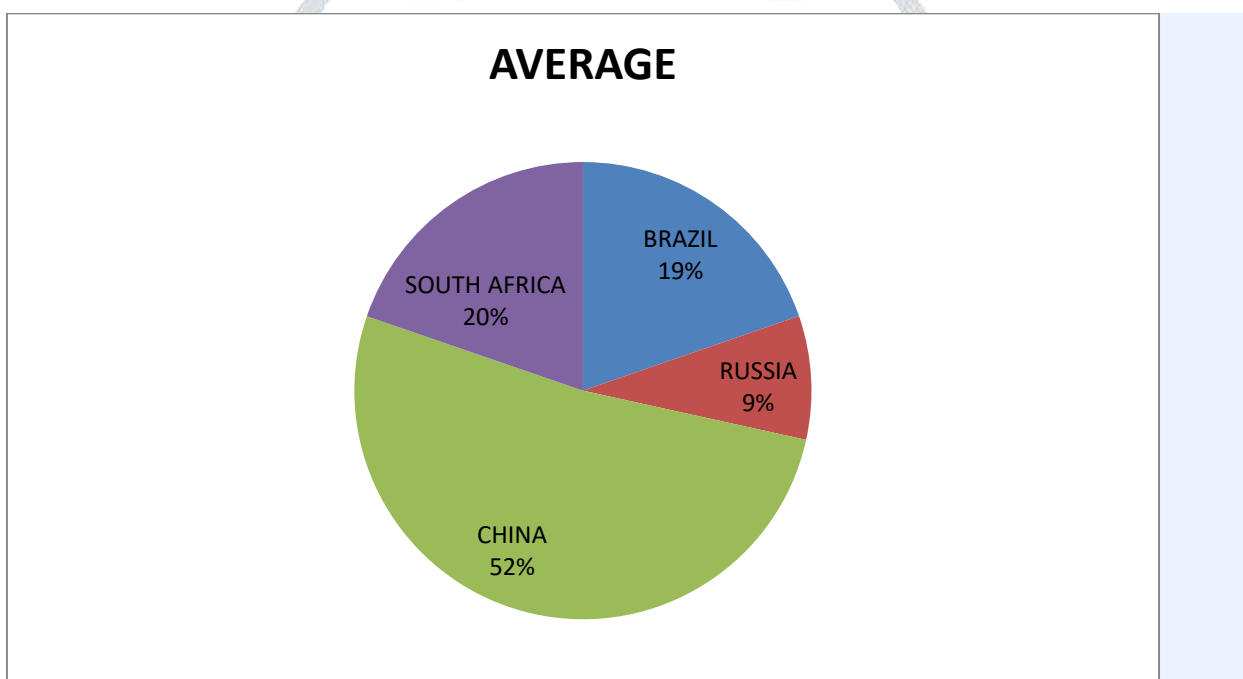
**India's export with BRICS nations: direction wise****Value in US\$ million**

NATION	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand total	Average total
<b>BRAZIL</b>	5,106.93	5,074.29	5,301.99	3,588.74	3,545.95	22,615.62	4523.12
<b>RUSSIA</b>	2,295.68	2,121.26	2,097.01	1,587.81	1,937.06	10,038.82	2007.76

<b>CHINA</b>	13,534.88	14,824.36	11,934.25	9,010.35	10,171.18	59,475.02	11895.00
<b>SOUTH AFRICA</b>	5,106.93	5,074.29	5,301.99	3,588.74	3,545.95	22,617.90	4526.58

Table 6 elaborate India’s trade with remaining BRICS’ nations.

The above data explain India’s total export with other BRICS members. As stated earlier India’s biggest trade partner is China, when it comes to India export it also shows healthy sign. Total export to China is US\$ 59,475.02 million which is about 52% of aggregate export by India to all BRICS nations that shows how much India’s market depends upon China when it comes to exporting. Side by side there is a minor difference between India export to Brazil and South Africa which is US\$ 22,615.62 million and US\$ 22,617.90 million respectively. While analyzing its overall share in India’s export Brazil share is about 19% and South Africa share is 20% in India’s intra BRICS nations exporting. Later India’s least exporting partner is Russia with just US\$ 10,038.82 million and occupying remaining 9% share of India’s intra BRICS exporting in the last five years from 2012-13 to 2016-17



**Conclusion**

The growing importance of BRICS nations in global market is showing its reflections in their step by step increasing shares in the world’s exports. Present statistics show that India’s export among intra BRICS nations is increasing and at the global level it is also at rise. BRICS’s mutual exports have recorded some improvements, which could imply closer trade cooperation among BRICS’ nations. As a group BRICS nations have the natural resources, finances and consumers to impart further momentum to manufacturing. However, lack of cutting edge technology can prove to be an important element to the aspirations for manufacturing growth. Innovative models need to be explored for creating a common pool of technology for benefit to the BRICS members. Furthermore, BRICS nations work can be enhance by adding new emerging economic power like ‘Next Eleven’, or N-11 for short. In 2005, Goldman Sachs tried to follow in the BRICS wake. They come up with N-11 namely Bangladesh, Egypt, Indonesia, Iran, (South) Korea, Mexico, Nigeria, Pakistan, the Philippines, Turkey and Vietnam. But South Korea and Mexico had the capacity to

become almost as important as the BRICS in the global economy. India and other BRICS nations has largely sound government debt and deficit positions, robust trading networks and huge numbers of people all moving steadily up the economic ladder.

#### References:

1. ["World Economic Outlook". IMF. April 2013. Retrieved 17 April 2013.](#)
2. ["Amid BRICS' rise and 'Arab Spring', a new global order forms". \*Christian Science Monitor\*. 18 October 2011. Retrieved 20 October 2011.](#)
3. ["World Bank Issues 2016 'Perfect Storm' Warning Amid BRICS Synchronized Slowdown". \*Emerging Equity\*. 2016-01-07. Retrieved 2017-09-04](#)
4. *Source: World Trade Organization*
5. Jones Stephanie, "BRICS and Beyond, Executive Lessons on Emerging Markets", Wiley, United Kingdom, 2012
6. Department of Commerce Export Import Data Bank\_Total Trade :: Top countries Year: 2016-2017
7. Prof. Mathur Sajal and Dasgupta Meghna, "BRICS Trade Policies, Institutions and Areas for Deepening Cooperation's" Centre for WTO Studies, New Delhi, 2013
8. Jim O'Neill, Dominic Wilson, Roopa Purushothaman and Anna Stupnytska, 'How Solid are the BRICs?', Goldman Sachs Global Economics Paper No 134, December 2005
9. Dominic Wilson, Roopa Purushothaman, 'Dreaming with BRICs: The path to 2050', Goldman Sachs Global Economics Paper No.99, October 2003.
10. Jim O'Neill, 'Building Better Global Economic BRICs', Goldman Sachs Global Economics Paper No.66, November 2001.
11. Neill O'jim, "The Growth Map Economic Opportunity in the BRICs and Beyond". Portfolio Penguin, England, 2013
12. Chul. Kwang Ho, "The BRICs Superpower Challenge, Foreign and Security Policy Analysis, Ashgate, England, 2013.