

# WTO ranks India 18th in merchandise exports



## EXIM MATTERS

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Last Monday, the World Trade Organization (WTO) released its 2023 edition of the World Trade Statistical Review (WTSR), its annual flagship publication featuring key data on global trade in merchandise and commercial services.

It gives data on merchandise and services trade broken down by geographical origin, main product groups and sectors, along with related data on key economic developments such as gross domestic product (GDP) growth, commodity prices, and exchange rate fluctuations, mostly for 2022. It also presents recent trends in international trade at a time of geopolitical and macroeconomic strains and technological challenges affecting the global economy and supply chains. The analytical chapters are complemented by statistical tables providing more details.

Trade in goods and services amounted to \$31 trillion in 2022, a 13 per cent rise year-on-year (Y-o-Y). While trade in goods

exceeded pre-pandemic levels in 2021, trade in services caught up in 2022.

China remained the top merchandise exporter in 2022 but its share in world exports declined to 14 per cent (from 15 per cent in 2021). The United States (8 per cent of world trade) and Germany (7 per cent) were ranked in second and third positions.

The share of manufactured goods in world merchandise exports fell to 63 per cent in 2022 (versus 68 per cent in 2018) mainly due to high energy prices limiting demand. Trade in transport services continued to grow in 2022, although at a slower pace than in 2021 as shipping rates moved towards pre-pandemic levels.

The WTSR ranks India 18th in the list of merchandise exporters with exports of \$453 billion and 1.8 per cent of global merchandise trade share. India is ranked 7th in the list of services exporters with exports of \$309 billion and 4.4 per cent of global services trade share. India was 9th largest goods importer with imports of \$723 billion and 3.4 per cent share of global merchandise imports. India is ranked 9th in the list of services importers with imports of \$249 billion and 3.8 per cent share of global services imports.

The WTSR has compiled the data of exports and imports put out by the governments of various countries and so, many of the figures are already known.

What is available through the report is the ranking. An interesting inference of the WTSR is that in 2022, the world merchandise trade in volume terms rose by 2.7 per cent, compared with 12.4 per cent in value terms. This higher rate for trade value is largely due to price increases in primary commodities as a consequence of geopolitical tensions. India's merchandise trade rose by 15 per cent in value terms, says the WTSR, which means that after adjusting for the rise in commodity prices to the extent of 12.4 per cent, India's growth in merchandise exports works out to only about 2.6 per cent. However, India's growth of 27 per cent in services exports shines in the context of 15 per cent growth of trade in commercial services, notably led by digitally delivered services.

The WTSR says that the outlook for trade and GDP in the remainder of 2023 is clouded by downside risks, including heightened geopolitical tensions, food and energy insecurity, increased risk of financial instability, and high levels of external debt.

In 2022, world merchandise trade growth slowed as the war in Ukraine led to sharp rises in commodity prices. Trade growth is expected to be weaker in 2023 as high interest rates continue to weigh on economic activity, says the report.

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