

In 2020, India got highest trade aid from rich nations



ON TOP

Five biggest recipients of trade and related disbursements, 2018–20

Recipient	2020		2019		2018	
	Rank	Disbursement (in \$ bn)	Rank	Disbursement (in \$ bn)	Rank	Disbursement (in \$ bn)
India	①	2.74	①	3.86	①	3.57
Bangladesh	②	2.49	②	1.99	②	2.16
Egypt	③	1.79	③	1.75	③	1.94
Ethiopia	④	1.59	⑥	1.36	④	1.71
Kenya	⑤	1.31	⑤	1.49	⑧	0.94

Source: WTO

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India received the highest aid for trade in 2020 at \$2.7 billion from developed countries even as the receipts declined during the pandemic year compared to \$3.9 billion received in 2019.

The World Trade Organisation-led aid for trade flows is particularly meant for the least developed economies. It consists of official development support to build supply-side capacity and trade-related infrastructure to enable such countries to participate in international trade.

Bangladesh was the second largest recipient of the aid, followed by Egypt, Ethiopia, Kenya, Vietnam, Pakistan, Morocco, Myanmar and Indonesia, among others. Institutions such as the World Bank, European Union Institutions, Asian Development Bank, and developed countries such as Japan, United States, Germany, France are among the top donors for the aid.

According to a joint Aid for Trade at a Glance 2022 report issued by the WTO and the Organisation for Economic Cooperation and Development (OECD) aid for trade commitments increased by 18 per cent during 2020, reaching an all-time high of \$64.6 billion. The total disburse-

ment during 2020 was \$48.7 billion, which translates to India getting 4 per cent of the disbursements.

Trade experts, however, said that while reports show that India—a developing country—receiving the maximum amount of aid under the WTO initiative may be an incorrect depiction.

“Funds disbursed to India under ‘aid for trade’ may not be an accurate depiction of what India has actually received (as aid). India is a part of a few bilateral cooperation agenda but that does not translate into aid from developed nations,” a trade expert said, adding that the number published in the report may have included such bilateral arrangements.

Amid a series of disruptions in the global trade, starting with the outbreak of Covid-19 in 2020 and a Russia-Ukraine conflict in 2022, the value of the aid for trade has only reaffirmed as a tool to mitigate the impact of the crisis, the report said.

Several new aid for trade projects were launched to specifically address the pandemic-related challenges. In 2020, \$4.7 billion such aid was allocated to Covid-19-related activities. This translates into a share of 7 per cent as compared to the overall aid in that year.