

THE ROLE OF INTERNATIONAL MARKETING IN AN INDIAN ECONOMY

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Abstract:

India is rapidly growing nation for international trade and marketing policy in the globe. There are many factors which support to improve the international trade and transactions. The main reasons international trade takes place are differences in technology, differences in resource endowments, differences in demand & supply, the presence of economies of scale, and the presence of government policies etc. In this paper, Researcher is focused on SWOC analysis of Indian Economy and how the International Marketing effect on it which is playing very important role. In the same way, analyzed the comparative export & import study of India and drawn conclusions.

Keywords: Indian Economy, International Marketing, Export & Import status.

Introduction:

India today presents a huge investment destination to any international business, its great economy, huge consumer market, and abundant skills and talent.

To know better the international trade of India, we have to understand the strength, weakness, opportunity and threats of Indian Economy. They are as under:

Strengths:

- India is democratic country. Public and private sectors are taking place. Hence, public – private partnership model is good for economic growth.
- According International Monetary Fund (IMF), India passed the United Kingdom (UK) to become the fifth-largest economy in globe in the year 2021. Hence, it is emerging economy and have good Purchasing Power Parity (PPP) due to this it attracts foreign capital through FDI and FII.
- India is Agricultural Country hence providing main contribution for export of agricultural products such as fruits, vegetables, spices, vegetable oils, tobacco, animal skin, etc. also add to forex earning through foreign trade.
- Urbanization is also important theme of Indian Economy. It raises the standard of living of people and motivates to improve the health, wealth, communication and education of citizens.

Weaknesses:

- Backwardness in technology is loopholes of economy.
- There are some basic problems of infrastructure like storage, power, transportation etc.
- India is largest country in population which is hurdle in economic growth.

Opportunities:

- **Way of Empowerment:** As Government of India launched various schemes for entrepreneurs and aspirants to move towards the path of self-sufficiency and employment, like Atamnirbhar Bharat, Make India, Skill India, Digital India, Starts-Up Schemes etc. Due to these schemes certainly, India is growing and shining in International Market also.
- **Sustainable Urbanization:** As per McKinsey Global Institute (MGI), India will have 69 cities with a population of more than one million each by the year 2025. Economic growth will centre on them, and the major infrastructure building will take place there. The output of Indian cities will come to resemble that of cities in middle-income nations. In 2030, for example, Mumbai's economy, a huge market of \$245 billion in consumption, will be bigger than Malaysia's today. The next four cities by market size will each have annual consumption of \$80 billion to \$175 billion by 2030. To achieve sustainable growth, these cities will have to become more liveable places, offering clean air and water, reliable utilities, and extensive green spaces. India's urban transformation represents a huge opportunity for domestic and international

businesses that can provide capital, technology, and planning know-how, as well as the goods and services urban consumers' demand.

- **Manufacturing Hub:** We have well developed primary sector. It is base of service sector and can create more opportunities for employment.
- **Digitalization Path:** Many powerful technologies will benefit India, helping to increase productivity, improving efficiency across main sectors of the economy, and radically changing the provision of services such as education and healthcare. These technologies could add \$550 billion to \$1 trillion a year of economic value in 2025.
- **Potential of Women:** Women are pillars of growth and development. They not only manage house but profession also. Women now contribute only 17% of India's GDP and make up just 24 percent of the workforce, compared with 40 % in all over world. Inforthcoming decade, they will represent one of the largest potential economic forces in the country

Challenges:

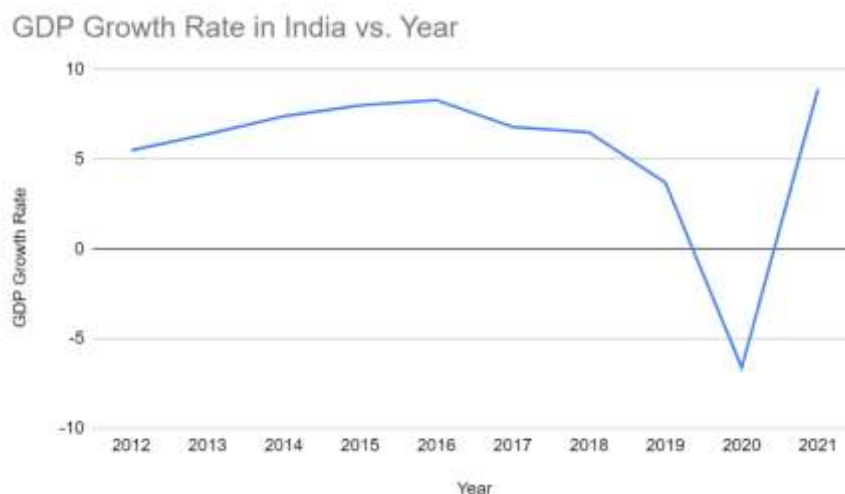
- Per Capita Income of India is very low. India has also the problem of unequal distribution of Income.
- Ever increasing population of India is also main challenge of economy which is also cause of unemployment and poverty.
- Unequal distribution of wealth is also big challenge. In India, just 1 percent of the population has 58 % of the total Indian wealth while 57 billionaires have the same amount of wealth as the bottom 70 % of India.
- Capital formation is base of growth but in India there is less growth of capital formation which is again the cause of unemployment and low life expectancy.
- Technological aspect is also issue of economy. Everyday technology is upgrading. Even poor farmers cannot purchase essential things like improved seeds, fertilizers, tractors, investors, etc.
- India has lot of natural resources like land, water, minerals and power resources. However, due to unreachable regions, primitive technologies, and a lack of capital etc. these resources are largely under-utilized.

Objectives of Study:

- To understand the way of International Marketing.
- To analyse the SWOC of Indian Economy.
- To study the Export and Import status of India
- To do comparative study of 2021 & 22 of Export & Import of India.

Role of International Marketing on Indian Economy:

India's Growth in GDP:



Source: World Bank

Above figure is showing previous 10 years trends of GDP. It depends on the internal & external global decisions. India's GDP growth was changing from 2012 to 2017 which was decreasing trend. In the year 2020, it was very low due to fiscal deficit, economic disparity, political and government interventions and mainly because of the unprecedented COVID 19 pandemic of 2020. But in post-pandemic period, it was

positive, where the India's' GDP growth rate took a complete U-turn with the rise of 8.9% in the year 2021 and healthcare sector has given great contribution here.

Union Budget 2022-23:

The government will replace the Special Economic Zones (SEZ) Act with a new legislation that will enable states to become partners in “development of enterprise and service hubs,” It will cover all large existing and new industrial areas to positively utilise available infrastructure and enhance competitiveness of exports.

Moving to Trillion Economy:

Currently, India has USD 3 Trillion Economy still we have faced pandemic situation. The Former, RBI Governor D. Subbarao said that in the year 2028-29, India may become 5 trillion Economy but continuously GDP grows is essential per year by 9% which is a bigger challenge for Indian Economy.

India's Foreign Trade: Comparative Study of 2021 & 2022

I. Overall Trade during July 2022



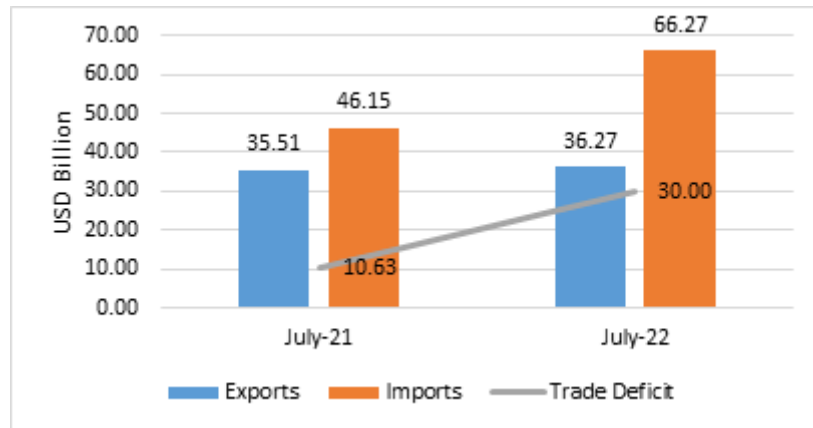
The overall exports (Merchandise and Services combined) of India are projected to be USD 61.18 Billion, showing a positive growth of 11.51% over the same period last year. Overall imports are projected to be USD 82.22 Billion, revealing a positive growth of 42.90 % over the same period last year.

II. Trade during April-July 2022



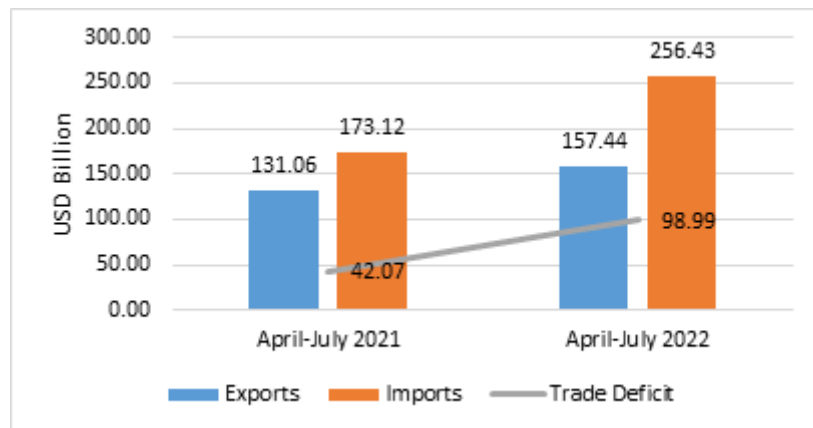
The overall exports (Merchandise and Services combined) of India are projected to be USD 253.84 Billion, showing a positive growth of 22.85 % over the same period last year. Overall imports are estimated to be USD 317.40 Billion, showing a positive growth of 47.68 % over the same period last year.

III. Merchandise Trade during July 2022



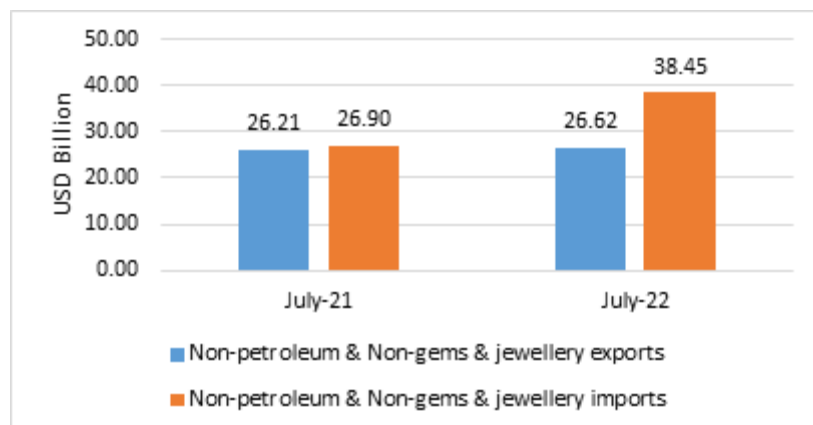
- Merchandise exports in July 2022 were USD 36.27 Billion, as compared to USD 35.51 Billion in July 2021, revealing a favourable growth of 2.14 %.
- Merchandise imports in July 2022 were USD 66.27 Billion, which is an increase of 43.61 % over imports of USD 46.15 Billion in July 2021.
- The merchandise trade deficit in July 2022 was predictable at USD 30 Billion as against USD 10.63 Billion in July 2021, which is an increase of 182.10 %.

IV. Merchandise Trade during April-July 2022



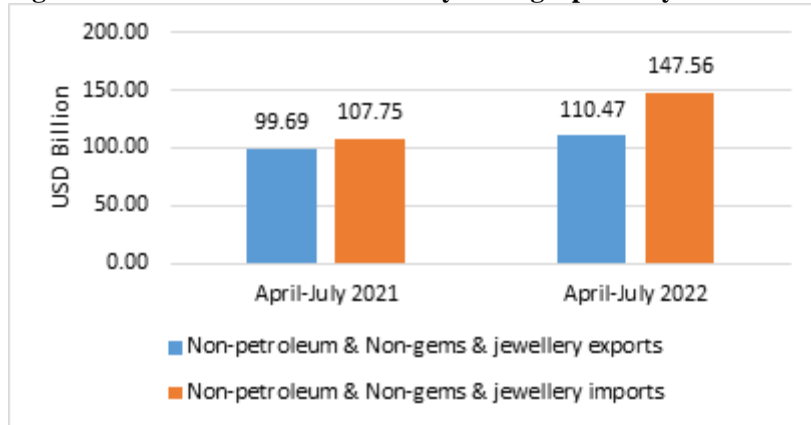
- Merchandise exports for the period April-July 2022 were USD 157.44 Billion as against USD 131.06 Billion during the period April-July 2021, showing favourable growth of 20.13 %.
- Merchandise imports for the period April-July 2022 were USD 256.43 Billion as against USD 173.12 Billion during the period April-July 2021, showing favourable growth of 48.12 %.
- The merchandise trade deficit which is an increase of 135.31 %.

V. Trade excluding Petroleum and Gems & Jewellery during July 2022



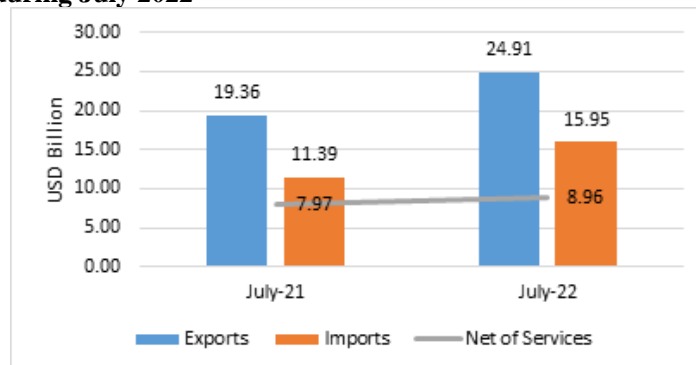
- Non-petroleum and non-gems & jewellery exports in July 2022 were USD 26.62 Billion, recording favourable growth of 1.55 % over non-petroleum and non-gems & jewellery exports of USD 26.21 Billion in July 2021.
- Non-petroleum, non-gems & jewellery (gold, silver & precious metals) imports were USD 38.45 Billion in July 2022 with a favourable growth of 42.91 % over non-petroleum, non-gems & jewellery imports of USD 26.90 Billion in July 2021.

VI. Trade excluding Petroleum and Gems & Jewellery during April-July 2022



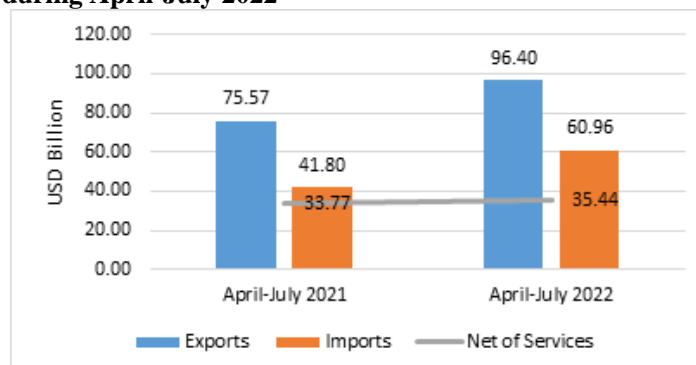
- Non-petroleum and non-gems & jewellery exports during April-July 2022 was USD 110.47 Billion, an increase of 10.81 % over non-petroleum and non-gems & jewellery exports of USD 99.69 Billion in April-July 2021.
- Non-petroleum, non-gems & jewellery (gold, silver & precious metals) imports were USD 147.56 Billion in April-July 2022, registering favourable growth of 36.94 per cent, as compared to non-petroleum, non-gems & jewellery imports of USD 107.75 Billion in April-July 2021.

VII. Services Trade during July 2022



- The estimated value of services export for July 2022 is USD 24.91 Billion, revealing a positive growth of 28.69 % as against July 2021 (USD 19.36 Billion).
- The estimated value of services import for July 2022 is USD 15.95 Billion revealing a positive growth of 40.02 % as against July 2021 (USD 11.39 Billion).
- The services trade balance in July 2022 is estimated at USD 8.96 Billion, which is an increase of 12.49 % over July 2021 (USD 7.97 Billion).

VIII. Services Trade during April-July 2022



- The estimated value of services export for April-July 2022 is USD 96.40 Billion, exhibiting a positive growth of 27.56 per cent vis-a-vis April-July 2021 (USD 75.57 Billion).
- The estimated value of services imports for April-July 2022 is USD 60.96 Billion exhibiting a positive growth of 45.85 per cent vis-à-vis April-July 2021 (USD 41.80 Billion).
- The services trade balance for April-July 2022 is estimated at USD 35.44 Billion as against USD 33.77 Billion in April-July 2021, which is an increase of 4.93 %.

IX.RegardingExport Growth in Commodity Groups:

In this group, Tobacco, Electronic Goods, Coffee, Rice, Cereal preparations & miscellaneous processed items, Oil Meals, Oil seeds, Meat, dairy & poultry products, Leather & leather products, Ceramic products & glassware, Tea, Petroleum Products, Organic & Inorganic Chemicals, Fruits & Vegetables, Other cereals, Spices, Marine Products and Mica, Coal & Other Ores, Minerals including processed minerals are included. The main thing is there is positive changes occurred as compared to July, 2021.

X.Commodity Groups showing negative growth:

Iron Ore, Handicrafts excl. Cashew made-ups, Handloom Products etc., Cashew, Carpet, Man-made Yarn/Fabs./made-ups etc. Gems & Jewellery, Plastic & Linoleum, Engineering Goods, Jute Mfg. including Floor Covering, Drugs & Pharmaceuticals and RMG of all Textiles these commodities negatively affected in July,2022 as compared to July,2021.

XI Imported Commodity Groups in July 2022

Following commodities has given positively affected on Import in July ,2022 like Silver, Project goods, Cotton Raw & Waste, Coal, Coke & Briquettes, etc., Textile yarn Fabric, made-up articles, Newsprint, Petroleum, Crude & products, Artificial resins, plastic materials, etc., Leather & leather products, Vegetable Oil, Metaliferrous ores & other minerals, Fertilisers, Crude & manufactured, Non-ferrous metals, Wood & Wood products, Dyeing/tanning/colouring mtrls., Machinery, electrical & non-electrical, Iron & Steel, Fruits & vegetables, Organic & Inorganic Chemicals, Electronic goods, Chemical material & products, Machine tools, Pearls, precious & Semi-precious stones, Pulp and Waste paper, Professional instrument, Optical goods, etc. and Transport equipment.*On the contrary*,Pulses, Sulphur & Unroasted Iron Pyrites, Gold and Medicinal & Pharmaceutical products affected negatively.

Conclusions:

- The Export and Import activities are influenced the GDP of Country and its exchange rate other factors also.
- An increasing level of import and rising trade deficit have negative effect on exchange rate.
- With the help of merchandise trade balance data, can track the export and import status of a country.
- When huge transactions are taken place, currency circulate drastically manner and affects export and import activity.
- India can move from 3 trillion economy to 5 trillion economy by the year 2028-29.
- The international marketing status of Indian Economy is quite positive and Government is working and taking good initiative to uplift the nation.

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