

Export Can Be Main Driver Of Indian GDP Growth In Coming Years: Vijay Kalantri

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According to the World Trade Organization's (WTO) latest report, India's export growth prospects are likely to get a boost amid the ongoing Coronavirus pandemic. This is also expected to lead the Indian export sector to witness a brighter global merchandise trade outlook for 2021 compared to its earlier projections.

"A brighter merchandise trade outlook is a positive sign for growth and the Indian economy for the following reasons: WTO expects World Merchandise trade volume to grow a whopping 10.8 per cent in 2021 from negative growth of 5.3 per cent in the previous year," said Kalantri.

India's exports to its top trading accomplices like the United States (US), European Union (EU), countries in West Asia, among others, are relied upon to rise. Trades information during the initial half-year of the current financial year is significant in the way that external demand has been robust.

"Such a strong rebound in world trade will boost India's exports as well. Data since 1990 shows that India's export growth is positively correlated to world export growth. As a result, export can be a main driver of Indian GDP growth in the coming years," said Kalantri.

In recent times, exports from India have been rising reliably, subsequent to diving for a couple of months as the flare-up of COVID-19 disturbed worldwide trade.

In September, India exported goods worth \$33.44 billion, up 21.35 per cent year-on-year. This saw a 28.51 per cent rise around September 2019. During April-September, outbound shipments worth \$197.11 billion were sent out, up almost 57 per cent YoY. It additionally hit almost 50 per cent of this present financial's commodity focus of \$400 billion set by the government.

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Kalantri said that with the sharp rebound in exports in recent months and brighter world exports outlook, we expect the contribution of exports to India's nominal GDP growth to rise to 20 per cent in the coming years. "Such an export-led growth will support MSMEs as they account for 40 per cent of our shipments and it will also generate more employment opportunities," added Kalantri.